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THREE YEARS OF WORLD-REVOLUTION

PAUL LENSCH

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THREE YEARS OF WORLD-REVOLUTION

THREE YEARS OF WORLD-REVOLUTION

BY

PAUL LENSCH

MEMBER OF THE REICHSTAG

"Wer die Welt vernünftig ansieht, den sieht sie auch vernünftig an, beides ist in Wechselbeziehung."

HEGEL.

LONDON

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1918

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PREFACE

As had been foreseen by all serious students of German affairs, the German Socialist party offered no serious opposition to the German Government at the outbreak of war. The subsequent identification of the Socialists with enthusiasm for the war and its aims was inevitable, and was accentuated by German military triumphs. After one and a half years of war the process had gone so far that Haase, Kautsky, Bernstein, Ledebour, and their little knot of adherents were forced to break away. A year later they were able to form the "Independent Social Democratic party of Germany," but even then the "Minority" movement, as it is called, proved to be at least premature, as an effective influence—for pacifism and internationalism—upon the main currents of opinion and action. The "Majority" continued to dominate German Socialism, seizing the whole party machine and Press, and co-operating—whether by open support or by a sometimes still more serviceable appearance of opposition—with the German Government.

Now, it is evident that the policy of the German

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Socialist party, under the leadership of Herr Scheidemann and Herr Ebert, imposed a considerable strain upon their followers. Many of them hoped that, after a short struggle and an ample victory, they would be able to assume their place in the international camp, none the worse and perhaps much the better for their bout of war. Hence the official Socialist view has been, in effect, that the war is an episode, an interruption, which some day must end in "agreement" and resumption of the old international relations. Meanwhile there was nothing to be done but to encourage pacifism in enemy countries, and, under cover of military success, to prepare for a peace which would not look too carefully at the origins of the war. But though all German Socialists are willing enough to reap the fruits of such opportunist tactics, the ablest minds in the party have long ceased to be content with what Lensch calls "a 'policy' without political thought." They desire to have done with outworn shams and hypocrisies, to face the facts as they see them, not only to admit but to justify their enthusiasm for the war and a German victory, and to lay afresh the foundations of German Socialist thought.

The first signs of the new movement came from the Trade Unions, whose spokesmen openly adopted purely materialist views of war and peace. For example, a *Trade Union War Book*, on "Labour Interests and the Result of the War," was com-

piled during the year 1915, in which practically all the Trade Union leaders took the view that extreme antagonism of Labour towards Capital has proved a mistake, and that Labour and Capital must join hands in the conviction that the more Germany gets the more there will be to divide. The general doctrine was thus summed up by Herr Wilhelm Jansson, the editor of the official organ of the Trade Unions: "Because in this war, by whatever circumstances or by whomsoever it may have been provoked, the political and cultural existence of Germany and the future of the German people are at stake, organised Labour can approve only a policy which guards German interests in this fight for existence." And Herr Jansson's collaborators proceeded in all detail to discuss war and peace policy in terms of the markets to be desired for German chemicals, German furniture, German pianos, or German toys.

But this candid materialism was not enough, and during the past three years a growing body of the ablest and most influential Socialist writers and thinkers has been examining the very foundations of Marxism, and endeavouring to construct, in the light of present events and their visible causes, a new and positive creed. Chiefly by means of the weekly Socialist paper, *Die Glocke*, they have compelled the attention of all political parties in Germany; and while the official Socialist leaders, for the most part, watch the new movement in

embarrassed but not unfriendly silence, it benefits alike by the open sympathy of Conservative and National Liberal Pan-Germans and the shocked resentment of so-called Radicals who desire nothing so little as the revision of the Socialist programme on positive lines. Lensch's book, *Three Years of World-Revolution*, which is now made available to the English-speaking world, is an admirable summary of the new German Socialist doctrine.

Dr. Paul Lensch is a typical representative of "educated" German Socialism. Born at Potsdam in 1873, he had a public school and university training. After his one year's military service in a Prussian Foot Guard Regiment he took to journalism at Strassburg, and subsequently travelled in England and elsewhere. In 1902 he joined the staff of the Leipzig Socialist *Volkszeitung*, and he was its chief editor from 1908 until 1913. Since 1912 he has been a member of the Reichstag. Although only forty-one years of age at the outbreak of war, he has not rejoined his regiment in the field. Since its foundation in 1915 he has been, together with the Trade Union leaders Wilhelm Jansson and August Winnig, a permanent member of the staff of *Die Glocke*, under the editorship of Konrad Haenisch. Readers of the present volume may easily conceive the great influence of his vigorous analysis and passionate journalism. He has, indeed, few equals among German Socialist writers of the present time.

Perhaps the best way to understand the new German school is to examine some of its replies to the criticism and discussion which it has lately provoked. Thus, Herr Lensch himself writes in *Die Glocke* of June 1, 1918—

"For us the war, as soon as it had disclosed its character as a world-war, was more than an 'unhappy misunderstanding,' or a 'madhouse drama,' a 'folly which could easily have been avoided,' as the Kautskys and the Bernsteins" [*i. e.* the Socialist "Minority" leaders] "tried to represent it to us. For us the war was the great revolutionary settlement, to be fought out between the rising Central Europe and the Western Europe which hitherto had dominated the world. Quite clearly I saw this terrible war coming in the years before August, 1914. . . . Joint action by the *Internationale* seemed to me to be the proper and necessary means of defence against the peril of war. But when the war came and the *Internationale* thereby collapsed, the case was different. Because the war did not appear to me to be a 'misunderstanding,' the longer it lasted the less could I believe in an 'understanding' being reached by the belligerents."

Again and again Lensch declares that his great object is to combat all "unreal" views—in other words, to get rid of the pretence that German Socialism does, or should, aim at any other internationalism than that which may ultimately seal

a German victory. As Professor Johann Plenge, Professor of National Economy at the University of Münster, puts it in *Die Glocke* of June 22, 1918—

"It is high time to recognise the fact that Socialism must be power-policy, because it is to be organisation. Socialism has to win power; it must never blindly destroy power. And the most important and critical question for Socialism in the time of the war of peoples is necessarily this:—what people is pre-eminently summoned to power, because it is the exemplary leader in the organisation of the peoples?"

The "people pre-eminently summoned to power" is, of course, Germany. The world is to be refashioned accordingly, and in a world thus put upon a "real" basis the nations are to take their appointed places. As Professor Plenge says, in dealing with "the right of self-determination of the peoples"—

"Just from the point of view of the Socialism which is organisation, is not an absolute right of self-determination of the peoples the right of individualistic international anarchy? Are we willing to grant complete self-determination to the individual in economic life? Consistent Socialism can accord to the peoples a right to incorporation only in accordance with the real distribution of forces historically determined."

These quotations will serve to explain the apparent indiscretion which is so remarkable a

feature of *Three Years of World-Revolution.* Whether he is analysing with astonishing candour the real relation between German economic policy and militarism, or explaining the identification of German Socialism with the Imperial structure based upon the Prussian State, or gloating over the death and burial of "Liberalism," or pouring out his scorn upon the "reactionary" decadence of every non-German Power and his peculiar hatred upon England, Lensch is concerned at all times to destroy all the bridges of possible return to the old order of things. In some matters, perhaps especially in his description of the German economic system, he is more instructive than any other German writer. In the destruction of links with the past he may prove more successful than he knows. For the rest, his book speaks for itself; it is among the most valuable mirrors of the German mind.

J. E. M.

August 1918.

AUTHOR'S FOREWORD

THE main purpose of this work, as of my other works published during the war, is to aid German Social Democracy in that great and painful task of self-comprehension which the war has imposed upon it. But whereas in my previous books I dealt, in some cases very exhaustively, whether in criticism or defence, with the past history and views of my party, in the present work such matters will be relegated to the background. This book is, in fact, an attempt to grasp the historic meaning of the tremendous present, and at the same time to test once again, by a practical example, that view of history which was first put forward by Marx, and which forms a very important constituent of the ideology of Socialism. If this attempt should prove successful, it need hardly be pointed out how greatly such a result would aid German Socialism in its task of self-comprehension.

In the course of the war, Social Democracy has shed the last remnant of its utopian character, and the tendencies for which it stands are no longer

the concern merely of a party. They are engaging universal attention, and, therefore, I am perhaps not unjustified in my hope that this work, too, may find a public outside the party circle.

Neubabelsberg,
September 30, 1917.

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THREE YEARS OF WORLD-REVOLUTION

CHAPTER I

INTRODUCTORY

THE fact that the World War has lasted three years testifies to the genius and power of Capitalism in a manner which had hitherto been regarded as impossible. Before the war it was supposed, and not only in Social Democratic circles, that circumstances were developing in the direction of war, but that this war could not possibly last long; and, moreover, that it would kindle a revolutionary movement the duration and extent of which it was impossible to foresee. The war has shown, however, that it is just in those countries which are most developed from a capitalistic point of view that there is comparatively little fear of revolutions, and that it is in countries which are backward in their capitalistic development—for instance, Ireland and Russia—that revolutions are more apt to break out. These three years of world war would seem then, at first glance, to suggest that

Capitalism is to some extent a safeguard against revolutions, and that revolution itself is a pre-capitalistic mode of development. Hitherto, in fact, revolutions have everywhere—in England, in France, in Germany, been enacted on the threshold of the capitalistic age; and after a certain stage of capitalistic development has been reached, revolution appears to become out-of-date. It may still be extolled in words, but this renders its expression in actual deeds only the more difficult.

Moreover, in these three years of world war, we have been able to make another discovery: it was not revolution as such that had become out-of-date, but only revolution in its primitive form, with its barricades and its trials of kings. The latter has certainly been relegated to the museum by the side of the spinning-wheel and the bronze axe. Only the more clearly is another fact made evident to us: that Capitalism is itself a form of production of tremendous revolutionary power; that it sweats revolution from every pore, and only appears to be a safeguard against revolution because it is itself by nature so deeply revolutionary. Unceasingly, it spreads change and confusion among classes, circumstances, men, and states; it ransacks the world to discover any spot where primitive household furniture and primitive methods of work are still preserved; it does not rest until it has dissolved the most rigid social

systems, broken up primitive social organisations which had defied all change for centuries, and forced them into the whirlpool of Capitalism. Finally the war, that great touchstone for revealing the true nature of all things, exhibits most strikingly the revolutionary character of Capitalism, so that we perceive the World War to be not only a manifestation of World Capitalism, but at the same time a revolution, *the* revolution, the greatest revolution that has happened since the migration of nations and the onslaughts of the Huns. Measured against the events of our time, of what liliputian dimensions seem all previous revolutions of modern times—the English, yes even the French, let alone the harmless German revolution. The Puritan wars did not reach beyond the territory of the British Isles. It was with the wars of the Jacobins and their imperial inheritance that Europe, as far as Russia, first began to be the theatre of revolution, and even on the limits of the old and new worlds—in Egypt and in the West Indies—the fire began to smoulder. The present revolution is neither English nor French nor German nor Russian; it is an international world-revolution. Capitalism has brought the whole world into subjection to itself, and ceaselessly, from morning to night, it drives forth to the field of battle all the nations without distinction — Chinese and Siberians, Australians and Yankees, negroes from the Congo and Boers from the Cape, whether or

not their particular interests call for direct participation in the war. There is no longer any continent but has been drawn into the World-Revolution. And since this revolution is an affair of continents, in it will the fate of continents be decided.

Yet this revolution is utterly different from anything that we have hitherto been wont to characterise as "Revolution." It lacks practically all the customary trappings of revolutionary romance; indeed, it is as though the genius of the world's history had specially designed to remove the last vestige of similarity between the present-day revolution and those of the past, and had therefore divested even war, that constant companion of every great revolution, of its romantic glamour, to drape it in the grey monotony of trench-warfare, where armies remain opposite to one another in the same positions for years, and where the dashing spirit of the Napoleonic armies, with their dazzling triumphal marches from the Ebro to Moscow and from Naples to Dantzig, is replaced by a cheerlessness which is its very opposite. The French, with whom revolution is a national tradition, they themselves having suffered no less than four revolutions between 1789 and 1871, are horrified now at the revolution which has actually taken place in Russia, after they had been shouting enthusiastically, "Long live the Tsar!" Incidentally, at the beginning of

the war, it was predicted of every nation that it would fall a prey to internal revolution. The Entente reckoned upon the insurrection of the Bavarians and Saxons against the Prussians, and of the Czechs and Slovenes against the Germans and Magyars; on the other hand, the Central Powers believed that they could rely upon a revolution in Ireland and certain English Colonies —notably India, and also in Russia. When, however, all that happened was a rebellion in Ireland, these prophecies ceased to be heard. The Russian revolution was passed over in silence. It had been announced so often that people felt an unwillingness to discuss it any more. The news of its actual occurrence fell upon overwrought nerves. The tremendous event was received by the Central Powers with an almost fatalistic calm.

The World-Revolution was preceded by a kind of overture, in the form of a whole decade of national wars and revolutions, which had continued to rumble and rage unceasingly since 1904. Upon the war in Eastern Asia, there followed successively the first Russian revolution, the Turkish revolution, the Tripoli war, the Chinese revolution, the Persian revolution, the Morocco crisis (which for the first time brought Europe to the brink of a world war), and finally the two Balkan wars (preceded by the Serbo-Austrian conflict in connection with the annexation of Bosnia, with its

accompanying threat of an Austro-Russian war). All these events had followed upon one another in rapid succession. And now, in 1914, there came the tremendous explosion at the centre: the principal capitalistic states, England and Germany, set themselves in motion, and it became apparent that the preceding conflicts and revolutions—though almost all serious and very bloody wars considered in themselves—were a mere innocent prelude compared with the real process of revolution, lasting for years, which was now to alter the face of the world.

And this revolutionary process was not confined merely to foreign politics, that is to say, to the relations of the Powers to one another. Its effects were no less apparent in the domain of home politics. The conditions in regard to labour and property and the class distinctions based upon them have been entirely transformed in the course of the three years of the World War. We have seen the rise of an entirely new class of capitalists. The tendency of capital to become concentrated in the hands of a few has been aggravated to an extraordinary degree; and the economic tyranny of the few over the many has been intensified. The economic position of agriculture has undergone a new and very striking improvement. But, above all, this war is being waged at the expense of the middle classes. The middle classes, whose independence, even before the war, was frequently no

more than a semblance, have, as a result of the war, lost even that semblance, and with the disappearance of this great multitude of small existences, either actually or apparently independent, the foundation of our whole capitalistic individualistic culture, based upon personal productive efficiency, has been altered, and the transition has been prepared to another form of work and society, namely, Socialism.

The universal revolution in prices and the resultant increased market value of labour have made it an essential condition of capitalistic profit to increase the organic mass of capital, that is to say, to invest more and more capital in industrial implements and raw materials and less and less in wages. In other words: a constantly diminishing number of workmen will have to tend increasingly powerful and expensive machines; human labour will have to give place more and more to mechanical labour. In this tendency, which was already inherent in Capitalism and has been enormously aggravated by the war, resides the secret of so-called technical progress, the characteristic feature of which is nothing else than the greatest possible curtailment of the compulsory hours of work, combined with a correspondingly increased working productivity. The achievement of a greater output of work in a shorter working day: that is the goal towards which economic development is striving, and as a

result of the World-Revolution, it has actually come nearer to this goal.

This seems at first to entail a complete contradiction. War wreaks the most far-reaching havoc among that immense accumulation of commodities which seems to us to constitute the wealth of capitalistic societies; and nothing appears more self-evident than that, after the war, the whole of mankind will apply themselves with redoubled energy to the task of replenishing the supplies of the most necessary raw materials and industrial commodities. Thus it seems as if we might expect rather an extension than a curtailment of the hours of work necessary to meet social requirements. But we are not concerned here with what may occur immediately after the war as a transitory phenomenon. We are interested only in the permanent and distinctive consequences of the war. And of these none are more certain than an economic annihilation of the independent middle class and a permanent and considerable increase in the market value of labour, owing to the general and lasting revolution in prices. These two facts entail as their necessary consequences the subsidence of the middle class into the mass of the proletariat, and at the same time an ascent of the proletariat itself. The increased cost of human labour leads to an increased employment of machine labour in industry, and also and above all in agriculture. The more the heavy and

mechanical labour is taken away from the workman and transferred to the machine, the more is the human labour confined to a few manipulations which may be easily learnt, and the greater the scope afforded for specialised work. Technicians, machine makers, chemists, mechanicians, highly qualified and correspondingly well-paid workmen of every kind, will tend more and more to constitute the backbone of the new working class, which will come into existence as a result of the social upheaval produced by the war. And under these circumstances the educated members of the declining middle class will drift in vast numbers into the ascending working class, and will contribute to it that element which had hitherto rather been honoured in theory than existent in practice among the proletariat, and had in fact been represented above all by the German middle class—namely, education. "Science and the workers," that motto to which Lassalle devoted his life and which for him could never be more than a still distant ideal, is being brought nearer realisation as a result of the World-Revolution of to-day.

To what extent the psychology of Social Democracy must be affected by this process of Social Revolution will only be briefly touched upon here. Even at the present day we may perceive the most unmistakable evidence of its transformation. And the fact that this intellectual transformation is

being accomplished unconsciously, and that in a given case it may even be loudly and sincerely denied, only confirms the truth of what has been said. Such evidence, for instance, is furnished by the memorial prepared by the German delegation to Stockholm. When had any previous international document produced by German Social Democracy met with such friendly criticism from the bulk of the German bourgeoisie? Since Social Democracy is based upon the interests of the German working class, it changes its character according as the working class changes its character, that is to say, its social composition. The split in the Socialist party is a symptom of this change. It frees the party from the dead but still clogging remnants of the past, thus enabling it to tackle effectively the new and important tasks resulting from the change in the social composition of its membership. These tasks can only be accomplished by an intensified "positive co-operation." Here, then, the war might seem to promise a de-revolutionising of the revolutionaries! What a pretty paradox! But of this we shall have more to say later.

If the description of the World War as a revolution is really something more than a journalistic conceit, we must inquire what are the antagonisms and contradictions from which this revolution has sprung, and against whom is it directed? Who are playing the part of revolutionaries and who of

counter-revolutionaries? A meaningless conflict of all against all would be no revolution in the historic sense. We can only properly speak of a revolution when we have discerned a distinct line of evolution which was bound to culminate in a conflict with traditional authority.

CHAPTER II

THE REVOLUTIONARY INFLUENCE OF PROTECTIVE TARIFFS

EVERY Revolution has its period of incubation, during which the antagonisms which finally come to a head are gradually accumulating, and we have already seen that the World-Revolution was preceded by a whole decade of revolutions and national wars. This decade—we might even include in it the Boer War, which occurred four years earlier and marked an epoch in the development of English Imperialism—proved in any case that certain alterations had taken place in the structure of Capitalism. These new capitalistic phenomena, in so far as they were manifested in the foreign and commercial policy of the various states, were commonly described as Imperialism. The most striking economic feature of this Imperialism was the combination of the hitherto separated domains of industrial, commercial, and banking capital under the common control of high finance; and this combination, while it involved a closer organisation of Capitalism, at the same time brought about

a very remarkable increase of its economic as well as of its political energy and efficiency. Above all, however, this alteration in the structure of Capitalism exercised a far-reaching influence upon that central problem of historic development—the position of the various social classes in relation to the State. Since here that antagonism between Germany and England which is the origin of the World War first becomes clearly apparent, we must examine this development more closely.

This antagonism between England and Germany is linked up with the antagonism between Free Trade and Protection. On the strength of her industrial predominance and of her political world position, England had adopted Free Trade, just as the young capitalistic classes of the Continent and of the New World had for the same reasons adopted protective tariffs. These protective tariffs were at first looked upon merely as aids to development, but they soon completely altered their character, and it was really due to them that the old industrial state of England no longer stood as the model example of capitalistic development, but the young rival states of America and Germany. The United States, which, up to the time of the war, had not yet lost the character of a colonial country and debtor state, occupied the second place; and *the German Empire became more and more clearly revealed as the new type of young capitalistic state, as the peculiar embodiment of a*

higher form of capitalistic development. Therewith the conflict between Germany's economic development and that of England—we shall deal separately with the conflict in respect of historic development—was henceforward established.

In his famous speech of January 9, 1849, on Free Trade, Karl Marx could still declare: "Generally speaking, at the present day, the system of protective tariffs has a conservative influence, while Free Trade has a destructive influence. It breaks up former nationalities, and brings to a head the antagonism between the proletariat and the bourgeoisie. In a word, the system of Free Trade accelerates the social revolution. Only in this revolutionary sense do I vote for Free Trade." This was the time when Free Trade was extolled by its prophets as the universal remedy against all social evils, in particular against social revolution and the aggravation of class antagonisms. In opposition to these dreamers, it could not but afford a peculiar pleasure to the youthful Marx to assert in the midst of the German revolution that Free Trade was the mother of social revolution. As a matter of fact, at that time protective tariffs played a very modest part, and Free Trade was almost invariably regarded as their ultimate goal. At the present day, however, Marx's statement might almost be inverted. It has been proved that not Free Trade, but Protection accelerates the social revolution; that it brings to a head

antagonisms between states as well as between classes, and that if questions of commercial policy were to be judged solely from the point of view of social revolution, one might vote rather for Protection than for Free Trade. Bismarck, in 1879, by going over to Protection, became the involuntary instrument of social revolution (as Marx described him) to a far greater extent than at that time either Marx or Bismarck could suspect.

The rapid industrial development which had followed upon the abolition of internal customs barriers, and the foundation of the German Empire, soon led to a complete transformation of trade interests. It was a momentous fact that, in addition to the agriculturists, it was precisely the representatives of the heavy industries who, in the decade following the foundation of the German Empire, appeared as the champions of protective tariffs. They were supported by a portion of the banking capital, which in Germany had already long since been engaged in the development of the heavy industries. Socially they represented the most powerful and influential class. Naturally the point of the protective tariff, in so far as it was an industrial tariff, was directed against England. The tariff kept the products of foreign industry out of the home market, and secured for home industry the preponderance, and finally the absolute supremacy, in the German market. At the same time, it created those

conditions which brought about the superior organisation of German industry as compared with English industry. First among these was the close connection between industrial capital and banking capital. Just because Germany's capital wealth was so far inferior to that of England, this deficiency had to be made up for by carefully planned organisation and administration. A means of supplying industry, through the agency of the banks, with the capital which it lacked was furnished by the joint-stock company in its German form. Then, as protective tariffs became more and more firmly established, this intimate connection between industrial and banking capital led to the organisation of industry into cartels and syndicates, which became a leading feature of modern capitalistic development. This organised industry, which protective tariffs secured against foreign competition, was able at once to cheapen production and yet to raise the prices for the home market. The organisation of industry into cartels and syndicates brought about a powerful concentration of capital, of which the small capitalists became the victims. The unions of manufacturers first made agreements in regard to the prices, and then, in order to ensure that the agreed prices were adhered to in the market, proceeded to regulate the supply, and to fix a scale of production. The sale of their products was no longer undertaken by the members

themselves, but by a central selling bureau of the cartel. Thus the direct relations between the individual manufacturer and his customers was abolished. The independence of the individual undertaking was done away with. Secession from such an organisation of manufacturers was extraordinarily difficult, since the relations with customers would have to be formed anew, and the old markets to be recovered. Yet a further step was taken, and it was provided that the profits should not go to the manufacturer, who had actually made them, but should be distributed, in accordance with a previously determined schedule, among the whole body of the shareholders. The purchase of raw materials was effected jointly. In order to diminish expenses, badly equipped businesses could be shut down, while others could be specialised for particular articles. The trend of development was clearly in the direction of concentrating the total production in the best conducted businesses. Evidently, under such circumstances, the small capitalist and the outsider were doomed to extinction. The cartel or syndicate ruled the market. The fixing of sale prices by the unions of capitalists secured immense profits for the cartels. These profits were now further utilised for the conquest of the foreign market. The powerfully developed and extremely productive businesses desired a still wider scope for their activities than the home market could

afford. Therefore they began to work for the foreign market, and in order that they might be a match for competitors, the cartel instituted a special fund, fed from the surplus profits of the home market, for the benefit of those of its members who were working for the foreign market. Out of this fund the cartel paid the so-called export premiums. Subsidised in this way, the German manufacturers were very soon able to invade the foreign market, and there to sell their goods more cheaply than in the German market. This was the so-called "dumping," which caused the English free-trader much vexation, but also much secret delight. At this stage of development it became clear that the protective tariffs had completely altered their significance and had been converted into their direct opposite. There was no longer any question of the protection of the home market, but only of assault upon the foreign market. The tariff which was to have shattered the monopoly and supremacy of English industry and re-established free competition for German industry had been converted into a monopoly exercised by a small group of cartel kings, and had finally ousted free competition from the German market. It was the old and constantly recurring dialectic see-saw: Monopoly produces competition; competition produces monopoly.

But matters did not rest here. That competitive struggle which had been eliminated from

the home market, was renewed with so much the more vigour in the world market. But here it was waged with the aid of the State. We have already seen that it was the most influential and powerful classes of society who had first secured Germany's adoption of a protective tariff; and they very soon arranged that the State machine should render powerful assistance to their material interests. They drove the State from one increase of duty to another. The higher the tariffs, the higher the surplus profits in the home markets, and the higher also the export premiums and the more powerful the position in the world market. But the tighter the organisation of industry and therewith the control of its own economic field, the more immediate became the interest of capital in the extent of this economic field. The new colonial policy was closely associated with the endeavour to enlarge as much as possible the field which had been secured for German industry by means of protective tariffs. And, in addition to the export of goods, the export of capital had already long since made its appearance. Factories were established in tariff-protected foreign countries, and in still undeveloped territories with a weak State power, railways, harbours, and illuminating plants were constructed, and the protection of the home government was enlisted on behalf of these valuable investments. The close connection between banking capital and

industrial capital was very strikingly revealed in connection with the furnishing of loans to foreign countries, the banks furnishing loans only to countries which pledged themselves to give commissions to the industry associated with the banks. And this struggle for the world market and the money market was waged more and more with the aid of the State power. The services of diplomacy were available at any moment on behalf of finance capital, the effectiveness of this support corresponding to the strength of the State power which stood behind the diplomacy. A strong fleet and an army ready for action in the background constituted a valuable support in the competitive struggle for the world market and for a share in the yet "unappropriated" remains of the earth's surface. The contest between capital on the one side and capital on the other side became more and more a contest between the capitalistic States, and the more violently it was waged, the more frequently and the more menacingly did the danger of war brood over the nations. Herein lies the explanation of the remarkable number of wars and national struggles in the decade before the World War. They were due to the processes of disintegration which the destructive force of Imperialistic Capitalism had everywhere engendered, in Eastern Asia and China no less than in Turkey and Morocco. In the course of this decade Europe was twice on the brink of world

war. The third time, the inevitable became an actuality.

We have already referred to the fact that it was in the German Empire that this new phase of capitalistic development had found its abiding place; and that, therefore, Germany stood forth as the representative and the champion of a higher and more up-to-date form of economics. Manifold reasons may be adduced in explanation of this fact. As a young industrial country, at the beginning of its development, Germany was in a position to take as its starting-point the stage of technical and economic maturity which had already been attained by the most advanced industrial country, and we have seen that it was in fact the economic backwardness of German industry in many respects which gave impetus to its better organisation. The social conditions of the empire also contributed to this end. In Germany the most wealthy and energetic members of the bourgeoisie did not turn their attention, as in England, to politics and parliament, since the ineffectual German Parliament afforded no scope for their ambitions, still less the ill-paid bureaucracy, which, moreover, had no use whatever for persons of independent character. In Germany all those individuals who were endowed with organising capacity devoted themselves to industry or finance, and thereby assisted the development of the new capitalistic organisation. Moreover,

this economic process was assisted by that instinct for organisation which in the course of its history had been peculiarly developed in the German nation, a point which I have dealt with more fully in my book on *Social Democracy: Its Aim and its Achievement.*[1] Briefly, it was our backwardness, both from the point of view of Economics and of Democracy, which brought us to a position of supremacy, and the Bible text, "The last shall be first," has seldom been so strikingly exemplified as in the economic ascent of Germany.

For example, the fact that it was not France that became the home of this new capitalistic organisation—although this might well have been expected, in view of her greater wealth of capital and other factors—was due to the earlier and more advanced "Democratic" culture of that country. The economic development of France was decisively determined by its great Revolution, by which France presented "Freedom" and "Democracy" to the world, but presented herself with such a division of her soil as was wholly incompatible with large capitalistic aims. Even at the present day two-thirds of the French nation are settled on the land as "free landowners" in dwarfed agricultural towns and villages. This division of the soil resulted in the two-child system, a decreasing population, and consequently the lack of a sufficient number of workers for the French

[1] *Die Sozialdemocratie ihr Ende und ihr Glück.*

factories. Thus the whole industrial development of France became stagnant; capital found its way abroad in the form of loan capital, while at home the *rentier* class and the luxury industries increased. In consequence of this economic development, France was eliminated from the ranks of the leading nations, and, from the point of view of world politics, became a dependency of England.

The more unmistakably Germany established her position as the representative of the new capitalistic economics, the more intensified was her antagonism to England bound to become. For England was obviously the representative of the old and traditional. Her wealth of capital rested on the solid basis of her world domination and of the industrial monopoly which she had enjoyed for decades. Before the war, India paid in pensions alone an annual sum of £16,000,000.

English industry had developed organically and without haste, by means of co-operation and manufactures. Successful predatory wars against Spain, Holland, and France had secured the domination of the sea and the greatest colonial empire in the world, while the complete victory of the English landowners over the peasants had procured the necessary number of hired labourers. It was England's lead in industry which led to her interest in Free Trade, and when finally, in 1846, the Free Trade system was adopted in its entirety,

this was conceived as the strongest support of England's industrial monopoly.

The first disappointment was, that the Continent did not immediately follow suit, but none the less the protective tariff of that time, based on the recommendations of List, was regarded as an intermediate step towards Free Trade. The great historical antagonism between Protection and Free Trade was not revealed until the year 1879, when Germany, who had only just completed her adoption of the extolled Free Trade system—the last iron duties disappeared in the year 1875—suddenly veered round completely, and reinstituted Protection. The main concern at that time was for the safeguarding of agriculture, and it was as such that Protection was later on invariably stigmatised and passionately opposed by the Liberal and Social Democratic parties. Even to-day debate on the question Protection or Free Trade? forms an agreeable pastime in the circles of certain professors and theorists. So far is it from being realised, even at the present day, that the year 1879 gave the final answer to this conundrum; for this action of Bismarck's is one of the most profound causes which have led to the present World-Revolution. By means of it, the German locomotive was set on a track, on which it was absolutely inevitable that she should some day come into collision with the English locomotive; since this tariff system—as has appeared from what

we have said—has been not the only cause, but at least one of the most important causes, of that re-organisation of Capitalism, of which the new German Empire was the champion and the representative, and which we have learnt to recognise as the secret of German superiority in the world market and of the antagonism between Germany and England. No one could have foreseen such a development in the year 1879, least of all Bismarck, who was a layman in matters of political economy. Had he foreseen it, he might perhaps have held back from the momentous step, for nothing was more remote from his policy than a possible conflict with the old Mistress of the Seas, whom he liked best to exclude completely from his continental policy. He acted at the outset only in the interests of German agriculture, and it was not for him to worry himself concerning the remote consequences that might possibly at some time ensue from an action which he deemed a necessity. Why, even after Bismarck's fall, the antagonism between Germany and England was still so far from having become acute that the English handed over Heligoland! All that concerns us at the present is to recognise that, from the point of view of historical development, the result of Bismarck's decision of the year 1879 was that Germany took on the rôle of a revolutionary; that is to say, of a state whose position in relation to the rest of the world is that of

the representative of a higher and more advanced economic system.

Having realised this, we should perceive that *in the present World-Revolution Germany represents the revolutionary, and her great antagonist, England, the counter-revolutionary side.*

This fact proves how little the constitution of a country, whether it be liberal and republican or monarchic and autocratic, affects the question whether, from the point of view of historical development, that country is to be regarded as revolutionary or not. Or to put it more plainly: our conceptions of Liberalism, Democracy, and so forth are derived from the ideas of English individualism, according to which a State with a weak government is a liberal State, and every restriction upon the freedom of the individual is conceived and branded as a product of autocracy and militarism. But this individualism was only concerned with the ruling classes; the great masses of the nation were considered as the "dangerous classes" and looked upon with suspicion and misunderstanding. It was a completely aristocratic world outlook, such as is only possible in a ruling upper class. The past history of Germany has given to the German State an entirely different character, which is alien and incomprehensible to the capitalistic world dominated by the theories of English individualism, and which therefore is a favourite subject of abuse in that world. In truth

this modern example of budding capitalism, just because it is new, is superior, in point of democratic organisation, to the old aristocratic ordering of society associated with liberal individualism. There is here, moreover, a mutual interaction. The fact that the German Empire has been able in so short a time to establish itself as the model of capitalistic development does not warrant any unfavourable deduction as regards its social constitution. On the other hand, the part played by Germany as representative of a higher economic organisation will react upon its internal conditions, and make a clean sweep of the reactionary impediments surviving from a by-gone age.

How little the vulgar democracy of to-day is adapted to perform a revolutionary rôle we have already seen in the case of France, who, by her fatal inheritance from the time of the Great Revolution, was rendered incapable of becoming the representative of progress, and as such of exerting a revolutionary influence.

But, if the new form of organised Capitalism which developed in Germany, following on the protective tariff of 1879, is really to be credited with such weighty significance as we have assigned to it, then its influence must be even more far-reaching than we have yet revealed. That is to say, its effects cannot be limited to the very striking elevation of the monopolistic trader at the expense of the community and to establishing the danger

of war as a permanent phenomenon of public life. Indeed, we have already alluded to the fact that this economic revolution has exercised an important influence on the position of the classes in relation to the State and its power, that central problem of historical development.

The Liberalism of the German bourgeoisie was not, in principle, different from the Liberalism of the bourgeois classes of other countries. German Liberalism also, by its very nature, was, if not actually hostile to the State, at any rate desirous that the central government should be as weak as possible. Of course, the special conditions of German development were such as to ensure that these tendencies should not find any very forcible expression. The German bourgeoisie, greatly though it detested a strong State, could not entirely dispense with it. A strong State was felt to be necessary in order to provide economic and political unity. Moreover, in contrast to England, in Germany it was the land-army that was needed for the attainment of national ambitions, and this land-army helped to make the State independent of society in a way that the fleet could not have done. This is, it may be added, one of the reasons that have prevented the growth of a genuine—that is to say, a practical—Liberalism in France, where the conditions were in some respects similar; although, in theory, French Liberalism was much more

logical, more daring and more profound than English Liberalism.

However that may be, the ideology of the rising Imperialism did away with the old Liberalism. The ideal of the upper bourgeoisie was no longer a weak State, but a State which should be as powerful as possible. It is very significant that, after 1893, the Reichstag was never again dissolved on account of the rejection of an army bill, and that the large naval demands which followed later never led to a serious conflict between the Government of the Empire and the National Assembly. The new capitalistic class had altered the nature of its requirements from the State and no longer had any sympathy with the philosophy of the old Liberalism. The State was to secure the home market for the new capitalist class by means of its customs and tariff policy, and to aid in the conquest of the foreign market by means of an energetic commercial policy. Already in England the navy has been described as a means of preventing a debtors' revolt, and in Germany also the State power was to protect German financial interest in foreign countries and at the same time ensure that favourable commercial treaties were concluded. Above all, the State was to protect the exported capital which had been invested in countries with a weak State power and backward culture, and to ward off possible interference by rival States. A resolute colonial and world policy

was always to be, if not in the plans, at any rate in the power of the State. In the early days of Capitalism, the manufacturers were in favour of a weak State power, because they did not wish to be hampered in the exploitation of favourable opportunities and in their reckless and piratical utilisation of the proletariat by any court of appeal for safeguarding the interests of the community. In the days of Imperialism, on the other hand, a strong and powerful State had become a direct interest of capital. Free competition, which had been abolished in the home market through the monopoly of the industrial cartels, had reappeared in the world market in an enormously magnified form, and in the shape of a conflict between the organised capitalistic groups of the various countries, backed up by all the political resources of nation and State—indeed, not merely all the political resources, not merely the army and navy, not merely diplomacy and consular representation, but also spiritual factors—the good reputation of the country as regards internal conditions, the intellectual status of the nation judged by the progress of the arts and the sciences, the extent of the world area in which the national language was current: all these points were very important in relation to the material interests of Capitalism. We know to what an extraordinary extent the position of Germany before and more especially during the war was prejudiced by her

neglect of spiritual factors, and by the skilful way in which this was turned to account by the English and the French. Many years before the war, Rohrbach, who was intimately acquainted with foreign countries, testified to the fact that German world interests had suffered to an extraordinary extent owing to the reputation for reaction which—mainly on account of the Prussian franchise—had become associated with the name of Germany. At the present day the reform of the Prussian franchise has become a direct interest of German capital.

But the capitalistic class needed a strong State, not merely for the purpose of its conflicts abroad, but also for the purpose of those at home. The working class, by means of powerful organisations, had grown beyond the stage of social defencelessness. As long as that stage of defencelessness had continued, the employers had not experienced any need for intervention by the State in connection with their relations to the working class; but now they needed a strong State in order to keep hired labour in check. The more the capitalistic class became enriched by the monopolistic exploitation of the home market, the more the rebellion of the working class became intensified and found vent in wages disputes and later in tariff agreements. It was now in the interests of capital to curtail the rights of the working class, to put difficulties upon difficulties in the way of their combination, to drive them into endless disputes with the

judicature, and to encumber them with one lawsuit after another, and all this could only be accomplished with the aid of a sufficiently strong and "intelligent" Government.

But the more the capitalistic class pressed the State into the service of its material interests, the more inevitable did it become that the other classes, too, should contend for the benefits to be derived from the State power—or, at any rate, for a share in those benefits, and this tendency became all the more evident in proportion as the new economic policy inaugurated with the Protective Tariff of 1879, with its far-reaching consequences, revolutionised more and more the whole economic life of the nation from its very foundations. The absolutely fabulous development of trade and industry in Germany has frequently been described, and it is not the intention of this work to describe it yet again. It is sufficient if it be realised that the enormous expansion of the economic productivity of Germany did not leave one stone upon another of the old Germany, and that it created, in fact, an entirely new Germany. This was not anything in the nature of the march from "Weimar to Potsdam," described by Bernard Shaw and other ingenious phrase-mongers, who by such utterances only prove that the true connection of things is a seven-sealed book to them. The most that could be said would be that the new Germany has shifted its tents from the Ilm to the Ruhr. In

fact, the entire economic revolution which Germany has undergone during the last decades is mainly due to that new organisation of capital, the most important representatives of which we now recognise to be the heavy industry of the Ruhr district and the banking capital of the west, with which it is allied. That it is here that we ought to look for the true origins of our economic revolution and not in the founding of the German Empire is evident from the fact that the two decades following upon the Franco-German War were not marked by any noteworthy growth of the population, nor by an increase in the trade balance. In the twenty years from 1871 to 1890, the population of the Empire increased from forty-one to forty-nine millions. In the same period the special trade in imports and exports increased from 5·9 to 7·6 millions. In this period the economic consequences of the Protective Tariff of 1879 could not yet make themselves felt. It may be assumed that German Capitalism needed about ten years before these consequences could begin to reveal themselves, after which they soon became strikingly illustrated in the increase of the population as well as of the trade balance. In the twenty years, 1890 to 1910, the population of the Empire rose from forty-nine to sixty-five millions, while, between 1890 and 1913, the German special trade increased by twelve and a half milliards, its increase alone being thus almost double as large again as

the total German special trade in the year 1890. It should be remembered that the increase of population is to be accounted for not only by the increase in the number of births, but also by the reduction of the death-rate brought about by social legislation, as well as by the very striking decrease of emigration, the increased number of foreign workmen and so forth: for all these factors were equally the results of the new German economic policy and of organised Capitalism.

Hence it is clear that what had taken place was not merely a material but also a spiritual revolution. All the classes of the nation pressed to the State with the aim of gaining complete possession of it, or taking a share in it. This was the process which revealed itself outwardly in the dawning political development of the German people; while at home it portended an embitterment of the social antagonisms. The old Liberalism was dead and buried, and with it not merely the old conception of the State, but also the old ideal of humanity and peace, the notion of a harmony of interests, and of an alliance of the States under international law.

The war built up the great funeral-pile on which this ideal of a past age was committed to the flames, only, of course, to make room for a conception of human nature and humanity at once higher, riper and more capable of realisation than that which preceded it. In its fire will the weapons

be forged with which future generations will be able to wage a more successful struggle in the interests of national and international humanity. But for the present it is significant that this war has been waged with an unexampled bestiality, and that the Law of Nations seemed to serve no other purpose than to mourn over its own violation.

Thus, before the outbreak of the World War, Germany was the most interesting State of modern times in respect of its historic development. In the sphere of economics, it was teeming with youthful energy, and had moreover developed the most advanced form of Capitalism, which had touched as though with a magic wand Germany's naturally meagre productive power and had rendered it almost inexhaustible. The country which had been notorious for its large emigration figures, had suddenly become one of the chief centres of attraction for foreign labour. In spite of the fact that the home population had increased by twenty-five millions in forty years, it was none the less utterly inadequate to meet the requirements of Capitalism, working at high pressure. An entirely new nation had arisen, with new classes and new class antagonisms, with new hates and new loves, and whose ideals and aspirations had just passed through a severe crisis. The old unpolitical and narrow outlook, that evil inheritance from the German past, was in process of disappearance. The working classes, with unexampled energy, had

fought for and secured a place in public life, as well as a due regard for their interests in the State, which far surpassed anything that was even conceivable in the so-called democratic states of the west. The German bourgeoisie, which had been abused by the Social Democrats in party warfare as degenerate and decayed, had in fact proved itself the most energetic, the most ingenious, and the most hard-working bourgeois class, except the American bourgeoisie, which modern capitalism had brought into being. It was quite free from that craving for an independent livelihood which characterised the French bourgeoisie, and took a pride in continually improving the efficiency and productiveness of working methods. It was only a consequence of the exuberant vitality of the whole social organism, if the inner social antagonisms were strained to snapping-point. Even on the threshold of the war, the organised body of manufacturers had directed a vigorous attack against the very existence of the workers' organisations, in which the Imperial authorities had readily placed themselves at their disposal, and the last trade-union congress before the war was the most "radical" which the German working class has ever experienced. In it the lines of the class antagonisms were defined with an almost excessive distinctness. The Protective Tariff of 1879, which was the chief origin of that mysterious new organisation which the old type of Capitalism had under-

gone in young Germany, acted as a bond of union among the ruling classes. The protective tariff was the true origin of that strange alliance between the great landowners and industry, which henceforward procured for the rising upper bourgeoisie in their struggle over the State the important aid of the old feudal class, and which stood in such flagrant contrast to the antagonism which in England had for decades divided these two classes. The division of these classes was the result of Free Trade. Their union in Germany was the result of the Protective Tariff. That harmony of interests which Free Trade had proclaimed so confidently had been transformed into complete capitalistic anarchy. The German protective tariff was destined to check that anarchy by means of the organisation of Capitalism. Once again the Germans distinguished themselves as organisers and systematisers. Moreover, the form which Capitalism tended to assume in young Germany was that of the establishment of social control over production. That is its enormous service, its true significance in the world's history. *It was the first practical attempt on the part of a capitalistic society, an attempt spontaneous in its origin, but systematically carried out and on a large scale, to penetrate behind the mysteries of its own mode of production*, and to control those social laws to the natural domination of which men had hitherto submitted blindly. The attempt was rewarded by

an astonishing multiplication of the economic productive powers. Never had German labour brought to light such an overflowing stream of gold as in those decades when the new capitalistic organisation was established. Thereby it was proved that Capitalism, though reputed anarchic, was capable of being organised. None the less, the organisation of the economic powers of the nation was and remained full of inconsistencies, as was already evident from the fact that the new stream of gold was very unequally distributed among the various members of the nation, and in the main only benefited the few. In fact, the control over labour remained in the hands of an oligarchy. These were the "three hundred men," who, as Rathenau said, are the rulers of our industry. All the more clearly were revealed the ends of Social Democracy, whose task could only be to recognise this advanced form of German Capitalism, and to free the social control which had been established over the work of the nation of its cloak of inconsistency. This was only to be achieved by the conquest of the State power; and therefore Social Democracy too, as its aims became more concrete, became so much the more interested in the State and its power. If it wished to conquer the State, it must wish at the same time to preserve it.

Thus that social revolution in the economic life of Germany, which was witnessed by the last

generation before the war, had exercised a very far-reaching educational influence on the German people. This people, in spite of its weak sense of nationality, had none the less created a State, for the possession of which all the classes were contending. All alike desired to see it powerful, and no more was heard of the English liberal ideal of a weak State! All desired to possess the State, to control it, or, at any rate, to have a share in its control. For the sense of nationality of other peoples was substituted in young Germany the sense of the State. It was through hatred and conflict and floods of abuse, and not through mild songs of praise and hymns to the Hohenzollerns, that this State consciousness was strengthened. In the bitter conflict of all the classes for predominance in the State, not only was the State itself strengthened, but also the conviction of the masses that a strong State was a necessity.

Then came the war, with its threat to shatter this State. Was it to be wondered at that every member of the nation, from the Social Democrat to the last capitalist, rose up with one accord in order to safeguard and preserve this State?

CHAPTER III

THE RISE OF GERMANY

"FINANCE-CAPITAL," as the higher organisation of European Capitalism represented by Germany was named, did not of course remain restricted to Germany. In America also it had developed at an early date with the aid of the tariff system, and, in fact, to a large extent even more intensively than in Germany. But we have already drawn attention to the fact that America occupied a peculiar position. America, as compared with Europe, was still colonial territory, and the density of her population was still below that of European Russia. She was a debtor country, and her industrial energy was more than fully occupied in dominating the home market. Her exports consisted to a large extent of raw materials like cotton, petroleum, or copper. So that the organisation of her industry did not have a revolutionising effect upon the world market. Of course Finance-Capital penetrated also into the European capitalistic countries. These countries too had almost all adopted the system of protective tariffs, but

despite this fact, in none of them did Finance-Capital acquire the enormous significance which it acquired in Germany. England also adopted forms of cartel organisation, but England lacked Protection; that is to say, she lacked one of the most important pre-requisites or at any rate one of the most important facilities for the development of the new system. Hence Germany remained the special representative of the new form of capitalistic development. It became, in fact, evident that, save for the United States, Germany was the only State which was waging serious war against English trade. In the year 1913, the figures of English and German foreign trade had become almost equal.

But such a tremendous reversal of conditions as the World-Revolution presents cannot possibly have such a narrow basis as the development of Germany during the last twenty years. We must lay the foundation further down—or rather, we must recognise that it lies deeper, if we are to grasp the historical significance of the present. The economic rise of Germany from about 1890 onwards only explains what it should explain, if the revolution which it embodied represented not the beginning, but merely the final stage in a long historical revolution.

And this was actually the case. The development of Germany since 1890, from which sprang the World-Revolution of 1914, was merely the final

stage of a rise of Germany which had set in a century and a half earlier, and which, like its culminating development, had begun completely unnoticed, and had only towards the end betrayed its revolutionary character.

This rise of Germany is one of the strangest phenomena of historical development in modern times. It has been explained and expounded *ad nauseam*. But all the explanations of it which have been furnished hitherto have lost their meaning, for the significance of this process of development is only comprehensible in the light of the present war and of the World-Revolution. This is evident from the fact that all the historians of the rise of Germany up to the present day have been unable to agree upon the date at which they are to place the beginning of this rise, and also from the fact that, with every new stage in this rise, the perspective was completely altered and a new point of view was rendered necessary. Up to the war of 1866, its aims were confined within the home frontiers. The rise of Germany was regarded by the historians of that time as a struggle for predominance in the home country, fought out in the first place between Austria and Prussia. Droysen and Treitschke may be named as the representatives of this epoch. As a result of the war against France and the foundation of the German Empire, the rise of Germany appeared no longer in the light of a German, but of a European

phenomenon, affecting the whole Continent. Not until the present war was it revealed that this rise was not merely a German, not merely a European, but a world embracing, because a world revolutionising phenomenon. The field of vision on which a Treitschke could concentrate so much brilliant light has proved too contracted; its dimensions seem to us now as absurd as those of a puppet show. Hence to-day, when our field of vision embraces the world, we find ourselves constantly going back to Ranke, the great historian, who, though he tells us nothing about the modern rise of Germany, none the less writes of a period in German history when Germany still thought and worked in world proportions; namely, the history of Germany at the close of the Middle Ages.

This rise of Germany, conceived in all that world historic significance which it is now seen to possess, gives us the key to the understanding of the World-Revolution. Just as, in respect of space, it forces us to think, no longer—as in the wars with Austria and France—in provinces and particular German States, but in continents, so, in respect of time, it forces us to think no longer in decades, but in centuries. That miserable, disintegrated German history, the thought of which was only endurable if we separated off a few not altogether deplorable sections of it and consoled ourselves with these, is now resuming once again its large coherence. Things which seemed so lamentably void of

significance once again acquire significance, and if we ourselves take a reasonable view of German history, German history will, as Hegel said, appear reasonable to us. But it is only since the outbreak of the World War that this "reason" in German history has revealed itself. The World War has, for the time being, set the last seal upon a process of German development extending over centuries, and has thereby enabled us to perceive the historic development in its sequence and its "reason."

The rise of Germany does not date from yesterday. It is just as mistaken to trace it to the year 1871 as to the year 1815. The last date is particularly misleading, although it is the most popular. As a result of adopting it, the so-called modern epoch is deprived of its very intimate connection with the directly preceding epoch in German history, and is exhibited as a product of the French Revolution. This is a serious error. The economic, as well as the intellectual, development of Germany since about the middle of the eighteenth century exhibits an almost unexampled self-dependence; and it is not only mistaken, but also absolutely fatal to the understanding of our present, as well as to the growth of German self-confidence, to continue to represent the modern epoch of German development as a result of French development. Naturally, the effects of the French Revolution were to be seen in Germany, but on the whole it is

astonishing how insignificant these effects were and how superficial their influence.

The rise of Germany dates from the middle of the eighteenth century. It was not until that period that the misery due to the Thirty Years' War was in the main overcome, and the nation became confident that it was again on the upward grade. It is this fact which really explains the otherwise inexplicably rich harvest of German literature, music, and philosophy. In it the new middle class consciousness found expression, and the intellectual heroes, who rose up from the ranks of this new social class, already gave reason to suspect that an extraordinarily rich future lay before it.

The six generations of German history from about 1740 to the present day must, therefore, be conceived as one whole, in which was enacted, at first quite mildly and imperceptibly, an economic, intellectual, and political rise of Central Europe. The process was at first so slow that it passed quite unheeded. Gradually, however, the pace became accelerated, until, in the last generation, as a result of the development of Finance-Capital described above, it outstripped all previous records and found vent in a huge catastrophe. Then it became clear that the growth of Germany had burst all the bounds that confined it. The so-called "balance of power," which was based on a weak Central Europe, utterly collapsed. It cannot be denied that the old Powers, above all England, had done

everything they could to preserve this balance of power. Every attempt on the part of German Finance-Capital to open up new fields for the increased economic energies of the German nation encountered opposition from England. The idea was, of course, to maintain "existing conditions"; and the more Germany's economic powers rattled their chains, the more—as Marx would put it—the enormously productive powers of organised German Capitalism rebelled against the conditions of production, or—what is only a legal expression for the same thing—against the conditions of property at present prevailing in the world, the more vigorously England riveted those chains, the more uncompromisingly England sought to maintain and extend the existing conditions of property. England converted a fifth of the whole face of the globe into English property; half of this mass of territory has only become English in the course of the last fifty years. Moreover, England invited the other economically backward countries—France, Russia, and Italy, to make haste to provide themselves with "property." Hence, at the beginning of the war, a fifth of the world was English, a sixth Russian, a twelfth French, while Germany, including her colonies, possessed a fortieth. The more German Capitalism was driven to seek a field for its activities abroad, because its overflowing economic energies had long since demanded this, the more vigorously did the

other Powers, who were barely in a position to satisfy the needs of their own market and to provide sufficient labour for their working-classes at home to relieve them of the necessity of emigration, seek to annex the remainder of the world for themselves. As a result of these annexations, the field of activity for German Capitalism was more and more restricted; for we know what a prominent part colonies always play on behalf of the capital of the mother-country, while they always place more or less serious obstacles in the way of foreign capital. Even English trade before the war, on neutral ground, where it was deprived of the advantage of colonial possession, was very noticeably outstripped by German trade. So these countries, whose own economic development was in a state of stagnation—England, with her upper bourgeoisie, France with her independent lower bourgeoisie, Russia, half-barbarian and bent on conquest, lolled over their "property" like over-fed cats, and everywhere barred the way to the progressive German element. This was the surest means of forcing existing antagonisms to a violent explosion. The result was, the revolution of the World War, with Germany as its standard bearer.

Therefore the World War appears to us as the product of a rise of Germany extending over a period of a century and a half. Beginning peacefully and imperceptibly, it has culminated in the

most terrible revolution of all time. This sudden conversion of peaceful evolution into violent revolution is, however, in fact, an absolutely normal phenomenon, and is only incomprehensible to those intellectuals who are accustomed to set "evolution" in contrast with "revolution." But since this point of view involves the recognition of a strong and logical connection extending over centuries between the World War and the rise of the German people, we are at once reminded of the other great and fateful war in the history of the German people, namely, the Thirty Years' War. In every respect it presents an absolute contrast to the present war. Since the sixteenth century Germany had been in a state of economic decline. The great discoveries and the consequent shifting of the principal trade-routes had excluded Germany from the world's traffic, and, at a time when all the energies of the nations were directed towards the sea, transformed her into an inland country, and while other States were in the full tide of development, and commerce and money traffic were on the increase, had flung her back on her primitive industries and national defencelessness. The Thirty Years' War was a result of the collapse of Germany, and, in accordance with the universal tendency of war not so much to open up new lines of development as to afford an outlet for those already existing and to end more rapidly what had begun slowly, it only completed what

had been in process of preparation for centuries, namely, the downfall of Germany. All the nations of Europe hastened to convert Germany into a desert, and the western nations thronged forward to occupy the space which had been left vacant as a result of the overthrow of Germany. The present war was not, like the Thirty Years' War, the result of a century and a half of decline; it was the result of a century and a half of progress. Like the Thirty Years' War, it will be the more rapid completion of what had begun slowly, namely, the rise of Central Europe. But this time it was not merely almost all the nations of Europe, but almost all the nations of the earth that hastened to convert Germany into a desert. Yet not one of them was able to set foot on German soil.

Now this rise of Germany, in accordance with the historical and geographical character of Germany, assumes from the outset a double aspect. The one half is directed to the north-west, to the ocean and England and beyond to the New World; the other half is directed to the south-east, to the Balkans and the Black Sea and beyond to Turkey. We know what extraordinary advantages are enjoyed by the north-west of Germany as compared with the south-east. The north-west is situated with its face towards the world's traffic; its development is very rapid, and consequently its productivity is very high. Its principal river is the mighty thoroughfare of the Rhine.

The south-east stands with its back to the world's trade; its development has proceeded far more slowly, and its principal river, the Danube, is unfavourable to traffic. The contrast between these two halves of Germany, facing in opposite directions, dominates the whole history of Germany from the Middle Ages onwards. The two halves meet at the boundary line of the Maine, only not face to face, but back to back.

So long as the trade with the Levant was flourishing, that is to say, up to the close of the Middle Ages, the Mediterranean was the most frequented trade-route, and Italy, in point of culture, ranked as the first country in Europe. At that time, the half of Germany facing towards the south and south-east possessed an undoubted superiority over the north and north-west. When, however, in the fifteenth century, the Osmanli pressed forward, over-ran the Balkans, conquered Constantinople in 1453 and Egypt in 1517, the result was a blocking of the trade-routes which had led from the Mediterranean to the east and the utilisation of which was one of the most important foundations of the commercial prosperity of the Italian republics and of the south-eastern portion of Germany. But at the very moment when the land-routes to India and the Far East were obstructed, Vasco da Gama opened up the sea-route to the same regions and Columbus discovered America. The energy of the European nations

was diverted to the west, where immense fields for its exercise presented themselves. Hence the Turks did not meet with the opposition to their advance in the east which they would otherwise have encountered, and it seemed as if they were merely the political agents of an economic revolution, which shifted to the west the stage for the further development of the great European nations, at the same moment as the eastern abodes of western culture were plunged back into barbarism and night.

For Central Europe, both for its north-western and its north-eastern half, this revolution was fraught with the most fatal consequences. The north-western coast region either passed into foreign hands, like the diocese of Bremen, or made itself independent, like the Netherlands. The south-eastern district fell victim to the Turks. For a century and a half Hungary belonged to the Turkish Empire, and only in 1683, when the Turks were repulsed before Vienna, did the counter-thrust begin. And yet this counter-thrust only succeeded in driving back the Turks as far as the Save and the Danube. For two centuries, down to the present age, these two rivers formed the south-eastern frontier of European culture. It was a catastrophe, the burden of which weighed specially hard on the south-east. Germany was no longer in a position to play her old historic part of mediator between the north-west and the

south-east of Europe. While world commerce and industry were diverted more and more towards the ocean, and its relations with the New World became more and more the test of the stage of development of any country, the eastern basin of the Mediterranean fell into neglect and insignificance, and Turkey, who controlled it, became both politically and economically a decadent State. Thus Germany's development was confined to one direction, namely, to the north-west. But the only sections of the German people who could take part in this development were those inhabiting the lowlands of Northern Germany, whose political organisation had taken shape as the Prussian State; while the inhabitants of the Alpine regions and the eastward and south-eastward pointing valleys of the great Alpine rivers in German Tyrol, Austria and Styria, were situated with their backs to the world's traffic. So Prussia triumphed, and Austria stood still. Fate had designed that the German nation must first be diminished before it could be raised to greatness. The catastrophe of 1866, which dismembered the German nation, was the first step towards its union in a higher sense. The dismemberment was necessary in order to enable the north at least to pursue its economic development without molestation. Only in this way could those mighty forces, to whose existence the whole of Central Europe owes its salvation at the present day, be liberated and organised.

To be sure, it was necessarily a one-sided development. The more striking the rise of the north-west, the more conspicuous became the economic stagnation of the south-east. What a sharp contrast is presented by the two principal German rivers, the Rhine and the Danube, which, flowing from opposite directions, connect the north-west with the south-east, and thus to a certain extent afford a palpable image of the natural problem of Germany! The mouth of the Rhine, like that of the Danube, lies outside Germany, but that did not prevent the Rhine from becoming one of the busiest waterways, on the development and communications of which new millions were constantly being expended. Mannheim long since ceased to be the farthest point of the navigable Rhine; for the last twenty years Strassburg has had its port on the Rhine; for the last ten years Rhine boats have gone as far as Bâle, and the canalisation of the Upper Rhine from Bâle as far as Lake Constance had already before the war led to an association between the Governments of Switzerland and Baden for the purpose of joint decrees. And the Danube? The fact that many commodities could be conveyed from Galatz to Mannheim at considerably less cost by way of Gibraltar than by way of Vienna speaks for itself. The gross neglect of the Danube route, that proverbial subject of German lamentation, reveals to us more clearly than anything else how the

frightful catastrophe which for five hundred years had barred the south-eastern exit of Central Europe, had poisoned the very life-blood of the State.

And the World War signifies a final deliverance from this bitter legacy of the German past. Turkey now appears not as the mortal enemy of the Christian south-east, but as its ally; and the Balkans will cease, after this war, to be the "Wild West" of Europe. In proportion as the east is made accessible to the commerce of the west, in proportion as its railway system is developed and as its population and its productive powers are increased, the economic and geographical disadvantages of the south-east will be overcome, and the comparative stagnation of its trade-routes will come to an end. Thus the south-east is once more at least being brought nearer to the north-west in respect to its economic productivity. Austria will no longer have her back to the world's trade, and the keen and wholesome breeze of world history and world traffic will once again sweep through those regions of the south-east where it has been so sorely needed. By this means will be secured one pre-requisite condition for a future Central Europe.

The problems which here present themselves are, of course, both new and infinitely varied. Capitalism, in its march from west to east, will encounter new regions still waiting to be opened

up and turned to account. What results it will achieve cannot as yet be foreseen. Two results, however, which specially concern us here, will in any case ensue—the abolition of the cultural barrier at the Danube and the eastward advance of Capitalism. To the importance of this transformation of the south-east for Germany's connection with a future great Central African colonial empire, we can only allude in passing. In any case, it is recognised that this war represents a new epoch in the world-history of South-Eastern Europe, and that the fate of the Near East is intimately connected with the rise of Germany. Since the foundation of the German Empire, the Turkish Empire has been subject to attacks of increasing violence from its foes without. The Turco-Russian War began in 1877; in 1882 Egypt was forcibly torn away by England; and in the present war not only the dismemberment of Turkey, but the dismemberment of Germany had a place in the Anglo-Russian programme.

What significance had the gradual rise of Germany for the other nations, especially for the two great peoples of the west—France and England? It meant that the passive foundation on which these two nations had built up their world position, had suddenly become active and had set itself in motion; and this was bound at some time or other to lead to a collapse. The world position of both France and England could only be maintained on

condition that Germany remained politically impotent and economically weak; both Powers were clear on this point. Long and embittered as had been the conflicts that they had waged against one another, none the less a helpless Germany was a common requisite for both. Germany was the object employed by their world policy, and was utilised according to need. Soldiers and officers were purchased in Germany. The French armies of the Thirty Years' War were in reality German armies. The French understood nothing about fighting. In the eighteenth century the trade in soldiers was as general among the German princes, as the trade in slaves among the English merchants. From the English point of view, even Frederick the Great was no more than a *condottiere*, to be paid as long as he was needed, and to be discharged and abandoned as soon as the end was attained. When in 1762 the English had sealed their victory over the French in America, the English Minister, Lord Bute, by the instructions of George III, left Frederick the Great in the lurch and proposed a peace which was based on the transference of the province of Prussia to Russia and of Silesia to Austria. In the Napoleonic Wars Germany seemed clearly destined to share the fate of Poland, and the only question was whether the German princes would be under the overlordship of France or Russia. The rivalry between her enemies has always stood Germany in good stead. This rivalry

and the fact that Britain was blinded by her own pride did much to facilitate the successes of Germany between 1864 and 1871.

It should be realised that the exceptional position of Germany was the historic counterpart of the exceptional position of England. The one was a necessary condition of the other. The difference was merely that the exceptional position of England consisted in her world domination, while the exceptional position of Germany consisted in her world subjection. As soon as the one ceased to exist, the other, too, was bound to collapse.

Hence the organic growth and development of Germany, though in itself an entirely peaceable phenomenon, none the less, the longer it continued, implied the overthrow of all existing conditions. Nothing could be more touching than the meek protestations of Germany's peaceful intentions uttered by German politicians and professors. Certainly! Subjectively considered, Germany's peaceableness is above suspicion. But that ought not to prevent us from realising that, objectively considered, we are and we must be disturbers of the peace. Our "guilt" consists in our growth. It is a necessary process, which not even the most ardent pacifist can bring to a standstill, unless it be through defeat. *We must, whether we desire it or not, smash to atoms the existing "balance of power," which is, in fact, merely a preponderance of the Western Powers, and build a new foundation*

corresponding to actual conditions. An absolutely revolutionary task! The war itself has already shown that the world position of the German Empire before the war no longer harmonised with its increased economic and military effective power. On the other hand, the position of many other nations had equally ceased to harmonise with their effective power, but that because the latter had not increased, but rather diminished. It is, in fact, this contrast between semblance and reality, between the traditional past and the brand-new present, that constitutes the true character of the war. The war is putting an end to deceptive appearances; it is upholding the claims of the present against the past; it is expressing what actually is. This is the World-Revolution; it is the collapse of the whole system of political distribution of power in Europe and the world which had been gradually developing since the sixteenth century.

In his little book on the Great Powers of the present day, which appeared shortly before the war, Kjellen declares that the English World Empire is of a type adapted to conditions which the world's history will certainly sweep away. The control of the whole domain of culture by a single Power was formerly the ideal of the continental states, and consequently they could only rise to power one after the other. At the time of the Renaissance, several Great Powers arose

simultaneously, and consequently the old ideal disappeared. On the sea, however, it still held sway. Venice, Holland, Portugal contended for world domination on the seas. At the present day, England stands before us as the last example of this type. Yet on the sea, even more than on the land, is there room for several great States. For this reason, the type of sea domination exercised by England is doomed to extinction. Germany, America, Japan have all asserted themselves as new sea-powers. And even if English policy succeeds in obstructing at one point a development which is to her disadvantage, she will none the less automatically assist it at another point. By the same war, through which England hoped to wipe out Germany's sea-power, she has promoted to a notable extent the development of Japanese sea-power. England has shaped the world's history, even if she is not destined to possess the world. "With the English World Empire," as Kjellen says, "the planetary epoch of humanity begins in earnest." Equilibrium in Europe must be replaced by equilibrium in the world.

It follows from what has been said that it cannot possibly be Germany's historic task to substitute a German world domination for the English world domination. Such a result is neither attainable nor yet desirable. What has to be done is merely to abolish entirely any form of world domination, and to replace the hitherto existing English world

domination by a world equilibrium. That, indeed, is the historic task of Germany in the present war. It is the fruit not of any metaphysical speculations or pious wishes; it is the task which circumstances have imposed, and before which, up to the time of the war, Germany herself would have recoiled in horror. But here, again, we may see a confirmation of those famous words of Marx: "Humanity only sets itself such tasks as it is able to perform, for on closer examination it will always prove that the task itself only arises when the material conditions for its fulfilment are already either present or in process of development."

This war, then, is concerned with the shattering of the English world domination. At a time when the words of Sir Charles Dilke, "The world is becoming rapidly English," threatened to become true, it is the German nation that has risen up to oppose the growing danger that the whole world would be reduced to one spiritual level and one spiritual type, and, while it is preserving the world from English so-called "freedom," is establishing on a sure foundation the threatened freedom of the world.

We are called barbarians! Very well! Our forefathers were still barbarians when they performed an immense service to humanity by shattering the Roman World Empire into fragments and by opening up an outlet for historical development which seemed to have drifted into a blind

alley, an outlet of world historical significance. And what made it possible for the Germanic race to perform their mission in the world's history? What enabled them to infuse new life into Europe? It was—as Friedrich Engels once declared—solely their barbarism! "All the vitality and the energy which the Germans contributed to the Roman world was barbarism. In fact, only barbarians are capable of rejuvenating a world that is suffering from a decaying civilisation." At the present day it might almost be said that all the vitality and energy which the British infused into their Empire during the war was Germanism. Hence we must cease to make peevish or indignant protests against the accusations of barbarism levelled at us by the English—even less against the accusations levelled at us by the French—and rather perceive in this a very interesting parallel with another world historical phenomenon of fifteen hundred years ago.

CHAPTER IV

THE DECLINE OF FRANCE

In so far as the World-Revolution is a result of the rise of Germany, it presents a typical illustration of the rule that revolutions are not made but grow, and that their deepest causes are only perceived when the sequence of events is studied at a later date. How and when revolutions grow is explained by Karl Marx in that famous passage from the Preface of his *Critique of Political Economy:* "At a certain stage of their development, the material forces of production in society become incompatible with the existing relations of production, or—what is really a legal expression for the same thing—with the relations of property, within which they have operated hitherto. From forms of development of the forces of production, these relations become their fetters. Then there sets in an epoch of social revolution. As a result of the change in the economic foundation on which it is built, the whole huge superstructure undergoes a complete and more or less rapid transformation." By the light of this sentence, it should have been

very easy for German Social Democracy to recognise the revolutionary character of the World War, but it had become a prey to narrow views, and only perceived the incompatibility between the material forces of production and the relations of property within its own nation. Certainly that incompatibility does exist in Germany; and, indeed, the fact that, as a result of the rapid rate of German economic development, it is in Germany that it has become particularly flagrant, is one of the certain indications that we are a rising nation. It is senile to imagine that a process of national, political and economic growth can be accomplished without the most violent internal conflicts. On the contrary, the fact that for decades no such internal conflicts had made their appearance in France and England was an indication of the comparative decline of these two countries. Let it be understood that here it is a question of internal social class conflicts and not of the sordid party scuffles of the Panama League and the Dreyfus case. Incidents of this kind make their appearance in every age and in every country, but they have nothing to do with that conflict of the classes which plays so significant a part in history.

As a result of concentrating their attention too exclusively on the internal conditions of the German nation, the German Social Democrats failed to perceive what was taking place in the world outside. Here at home, they recognised very justly

that the forces of production had come more and more into conflict with the relations of property. The spinning-wheel, the hand-weaver's loom, the sledge-hammer had long been superseded by the spinning-jenny, the mechanical weaver's loom and the steam-hammer; the private workshop had been superseded by the factory employing hundreds of hands. Consequently, individual labour had been converted into social labour. The yarn, the fabric, the metal-wares, which now came from the factory, were the joint property of many workmen, through whose hands they had passed in succession before they were completed. But these commodities and means of production resulting from social work, were treated as if they were still, as in the days of honest hand labour, the products and the means of production of individuals. The form of labour had become essentially co-operative; it was and it became more and more socialised; and yet the old relations of private ownership and private property had been retained in connection with it in an entirely unaltered form. In other words: the owner of a factory employing thousands of workmen claimed the product of their labour as his property just in the same way as the small hand labourer treated as his property the pair of shoes which was in the main the fruit of his own labour. It is this which Marx was referring to when he spoke of the contrast between the forces of production and the relations

of property, and which, in fact, contains the germ of the present conflict, of the Social Revolution. In so far as German Social Democracy recognised this germ and acted accordingly, it was on the right road. What, however, it failed to recognise was, that this conflict was by no means accomplishing itself merely within the individual nations, but also in the mutual relations of the various nations. It was quite possible that labour had become more markedly socialised in one country than in another; and that thus, by systematic division of labour, by curbing the original capitalistic anarchy through the organisation of the labour market and the export market, as well as of the conditions of production and prices, even if all this had been governed by capitalistic considerations, the forces of production of one particular country had been developed to a very much greater extent than elsewhere; but that the further development of these enhanced forces of production was hampered by the relations of property existing not merely at home but also abroad. And this was precisely the case with Germany. We have seen that German Capitalism, with the aid of Protection, had arrived at a more mature and productive type of working method, that its social forces of production brought forth every year greater quantities of wares and greater wealth, and that these looked for purchasers and customers all over the world; but that at the same time England and the other

Powers were busily employed in converting this world more and more into English, French, and Russian property, and thereby hampering or completely obstructing the approach of German Capitalism and its wares; for the policy of the open door had already long been abandoned. By this we do not mean to imply that the sole motive of the vigorous annexation policy pursued by the present Entente Powers was to prejudice German Capitalism. This was by no means the case. They desired first and foremost to promote their own interests, and if thereby they at the same time injured foreign capitalistic interests, this injury was by no means confined to Germany. For instance, the expansion of the French Colonial Empire restricted the field of investment and operation not merely of German but also of English Capitalism. But intentions do not decide the course of history, and under the existing conditions it was inevitable that the rising German Capitalism, just because it was rising, was hit much harder than any other by this imperialistic annexation policy. *Hence the conflict between the forces of production and the relations of property, considered in its international bearings, took on quite a new significance.* It was a disaster for German Social Democracy that it failed to recognise this new significance. For the German Socialists, Capitalism was just Capitalism, one kind was the same as another; and they felt themselves under an only

too instinctive obligation to wage war against their own Capitalism with the utmost vigour. Considered in its national bearings, this might be perfectly justified; but they were blind to the fact that, considered in its international bearings, the matter wore quite another aspect. Internationally, German Capitalism was undoubtedly the representative—not, of course, the only one, but the historically appointed representative—of a higher form of capitalistic production. The organisation of labour which had developed under Finance-Capital was still, it is true, directed by capitalistic requirements; and was, in its conception, concerned solely with the problem of increasing the profits of the capitalistic class; yet it was absolutely in the line of the historic advance towards Socialism, it was the conscious co-operation of all the economic forces available in present day society. In Germany, the chosen historical representative of this maturer form of economic life, the struggle for Socialism had been extraordinarily simplified, since all the pre-requisite conditions of Socialism had already become established there. And hence it was necessarily a vital concern of any Socialist party that Germany should triumphantly hold her own against her enemies, and thereby be able to fulfil her historic mission of revolutionising the world. Hence the war of the Entente against Germany resembled the attempt of the lower bourgeoisie of the pre-capitalistic age to prevent

the decline of their own class by destroying the newly invented machines, no matter what might be the effects upon technical progress and the development of society. Then, as now, it was for Socialism to declare: You represent reactionary interests, and all your democratic phrases cannot blind us to the fact.

But, in order that this should become a reality, it would first of all have been necessary that the German Social Democrats should recognise the mighty historic mission which had been assigned to their country in the World War; and one of the many causes which hampered them in coming to this recognition was that German humility—not modesty, but rather a sense of inferiority—which was the bitter legacy from Germany's unhappy past, and which had naturally persisted longest in the working class, because it was the last class of German society to shake off the fetters of poverty and oppression. The mere idea of Germany possessing a peculiar historic mission! What would then become of International Brotherhood? What would the French and English Socialists have said if German Social Democrats had spoken of a German historic mission in this war? Had not the age of chosen peoples come to an end? And would not this amount to "presumption" and a wanton outrage on the feelings of our "foreign brothers"? No, one defended one's country because it had been attacked, and so long as it was

attacked; and that was enough. For the rest, that man best served the cause of peace, who most emphatically assured the foreigner of Germany's peaceable and unassuming disposition and himself showed the same disposition at home.

This was "policy" without political thought; and it explains the fact that, the longer the war lasted, the more did German Social Democracy win the unmerited reputation of being a Government party. In order to remove this unfortunate impression, some of the parliamentary and literary spokesmen of the party occasionally took pleasure in saying rude things to the Imperial Chancellor and demanding his dismissal; but this could not make up for the lack of political ideas. Since the party failed to grasp, in all its profound significance, that well-worn saying of Clausewitz that war is a continuation of politics, it did not attempt to make the war serve the ends of its own social policy—which is by no means the same thing as the trades unionist policy and the peace movement—and it became simply what might be termed a "Save-the-Fatherland" party, and at the same time drew dangerously near to Pacifism.

The attitude of the foreign Socialists was, however, in no way influenced by that timid attitude of the German Socialists which Friedrich Engels used to turn to ridicule. Arm in arm with their Briand and Poincaré, their Asquith and Lloyd George, they did what the Germans would actually

have been justified in doing but which they had deliberately refrained from: they claimed on behalf of their country a special historic mission. And since they could not hit upon any other, they fell back on the time-honoured catchwords, which had long served as a cloak for every kind of baseness and as an excuse for every kind of reaction: they proclaimed themselves the champions of civilisation and freedom, of democracy and law, and of a whole host of other popular blessings. The employment of such catchwords as these, designed to charm the ears of the unthinking mob, was highly characteristic of the mode of thought of the French and English Socialists, which took no account either of history itself or of any concrete historical situation. On the other hand, it accorded with the naïve self-confidence of two nations who for centuries had stood at the head of the great states and who could not understand that in the meantime the world's history had not stood still and that it was now on the point of ushering in a new epoch.

This difference between the two Socialistic groups —the German and the Anglo-French—was expressive of the difference between two epochs. The attitude of the German group betrayed the timidity of a nation which is only just in process of rising, which has not yet attained full consciousness of its task, and is nervously anxious to avoid giving any cause for offence or exhibiting any lack of its

accustomed modesty. The conduct of the English and French, on the other hand, expressed the indignation of two lordly nations at the impudence of a lackey, who had to be brought back to his senses after the good old feudal fashion, by cuffs and abuse, which might be lavished on him without any fear of consequences. The very unanimity of the English and the French in their attitude towards Germany proved that these two countries felt themselves threatened in the same way and by the same cause.

This cause was, as we know already, the rise of Germany.

Let us realise what an utter reversal of all existing conditions this rise of Germany signified to the French. Since the struggles of Charles V against Francis I, France had been growing continually more powerful, while Germany had been growing continually weaker. For a century and a half France enjoyed uncontested supremacy in Europe. French culture and the French language had taken the place of Latin as the international distinguishing mark of the cultured and ruling classes, especially in Germany. This state of things reached its zenith in the nineteenth century, and to a considerable extent it still persists at the present day. Thus it lasted three, or indeed—if we include its first beginnings—even four centuries. Since the time when Modern Europe, with its separate national States, first came into being—and with it the almost

unknown phenomenon of national consciousness —that is to say, since about the sixteenth century, France had always stood, or appeared to stand, at the head of those States; and this fact exercised a decisive influence in developing that French national sentiment, with its ardours and its irritabilities, which we know so well. For Germany, on the contrary, the close of the Middle Ages represented the beginning of hopeless decline and national disintegration. In proportion as the national sentiment among the various classes of French society became bolder, prouder and more self-reliant, the national sentiment in Germany became more feeble and diminished; in fact, it completely disappeared, and in its place arose the particularist national consciousness of the Prussians, the Austrians, and the Bavarians. It is only by reflecting upon history that the present generation can realise the profound difference between French and German self-consciousness. And yet it is essential that we should realise it. It is this difference alone which explains the historic position of France in the present war. It explains also the *naïveté* with which the French dare to describe Alsace-Lorraine as French. The theft of these German provinces took place in the seventeenth century, that is to say, within that period of French supremacy which is still a living memory with the French people; in fact, nothing that happened prior to that period has any existence

for them. Try to imagine what effect it must have upon the national pride of a country if, from the time where human memory begins, or at any rate from the time where it becomes associated with a living historical consciousness, that country has enjoyed political and cultural supremacy. Ever since the seventeenth century, France has been the "suzerain" of the disintegrated German Empire; it was France who guaranteed the Peace of Westphalia. In the eighteenth century, after the Peace of Teschen, this suzerainty was shared with Russia, who had been rapidly coming to the front. Germany seemed on the road to complete disruption. The fruit was ripe, and, with the wars of the French Revolution and the Empire, it was shaken to the ground: Germany became a French satrapy.

But just at this time it became evident that the counter-movement had already set in. In his *Philosophy of History*, Hegel says in regard to the Napoleonic wars: "No greater victories have ever been won; no campaigns have ever been conducted with more conspicuous genius; but at the same time never has the *impotence of victory* been more strikingly revealed than it was at that time." In fact, it was just at this period of her greatest political and military victories that France began to decline. And it was, in fact, the French Revolution, which delivered the economical life of France from the yoke of feudalism and secured

scope for the free display of all the national energies, that was destined to be the direct cause of French decadence. The country was only to purchase the triumph of "freedom" and "democracy" at the terrible cost of her historic decline. The class which had won the victory in 1789, and still more in 1793, was in truth not so much the bourgeoisie as the lower bourgeoisie, and this victorious class now hastened to convert the country of the Revolution into its own domain. It appropriated to itself the national soil, and covered it with a multitude of small, comparatively well-to-do farming citizens, who still at the present day constitute two-thirds of the French nation. Consequently the predominant position in the State was occupied by a class which opposed a peculiarly obstinate and, indeed, invincible resistance to economic and especially to industrial development. It was this fact that determined the fate of France. From this middle and lower bourgeoisie sprang the two-child system and the ideal of a small independent livelihood which have continued to characterise post-revolutionary France up to the present day, and which transformed the classic home of Revolution into the country of narrow, self-complacent, and reactionary democracy, of absurdly undeveloped party organisation and of flagrant economic stagnation. The division of the soil was unfavourable to capitalistic development, and the decline of the birth-rate prevented the growth of a large

class of hired labourers and of an industrial reserve army. The Protective Tariff was so high as to exert a paralysing rather than an invigorating influence, and since there were no big wholesale industries such as would afford adequate opportunity for the investment in the home country of the large accumulation of capital, an excessive amount of capital found its way abroad. This was the chief reason why France never exhibited that higher form of organised economic life, which became characteristic of Germany and of America, and this in spite of the fact that, by the foundation of the *Crédit mobilier* by the brothers Péreire in 1852, it seemed as though the way was smoothed for such a development. The French bourgeois always retained the stamp of his plebeian origin, and that spirit of fearless daring and creative enterprise, which usually distinguishes a rising capitalistic class, remained foreign to his nature. The ruling factor in his life was not love for his industrial profession, but love of his dividends and of his bourgeois comfort. He was scarcely at all troubled by that restless ambition to extend his business more and more, to turn any technical discoveries to practical account as soon as possible, and to transform the modern into the most modern of all, which distinguishes the German Capitalist. The development of the industrial working class was rendered impossible, and this chosen representative of social discontent lacked any compelling

incentive to internal development. Hence political life fell into utter neglect, and soon began to breed the poisonous miasmas of social stagnation. Only in such soil as this was it possible that the idea of *revanche* should take such deep root. Since the present did not offer any great incentive, and seemed to be filled only with the clamour of ambitious cliques and political adventurers, the people took refuge in the past, and indulged in romanticism in broad daylight.

The lower middle-class character of France was conspicuously illustrated in its Social Democratic party. It was not the working classes who filled the ranks of this party. It was an assemblage of small bourgeoisie—lawyers, writers, doctors—many of whom used the party merely as a means of furthering their own private ambitions, and whose Socialism was nothing more than a fine phrase. Call to mind men like Millerand, Briand, Viviani, to mention only the most famous of them. But even the others, the honest members of the party, were at the best only backward facing revolutionaries, who failed to recognise the reactionary part played by France in the World War, and whose dwarfed outlook could not possibly embrace the frightful tragedy of their country. They repeated like parrots after Monsieur Poincaré, the confidant of the Tsar, his phrases about "Law" and "Civilisation," whose defender France had proclaimed herself to be, and without a spark of

compunction they allowed their leader Jaurès, the one man who had raised himself above the customary standards of narrow French provincialism and whose name had acquired an international reputation, to be sacrificed on the altar of the Entente at the very beginning of the war. They had no understanding of their own time, and when the Germans invaded France, they pictured to themselves that the days of Valmy and the Jacobins had returned. Just as Danton and Robespierre became the Ministers of the Revolution, when the Fatherland was in danger, so now Guèsde and Sembat donned the ministerial robes, and Vaillant became the Marat of 1914. But it was Hervé who was the sword and flame of French Democracy. He was deeply in earnest when he extolled France as the bulwark of democracy and freedom, but he failed to perceive that he and his country had long since been transformed from comedians of freedom into marionettes of reaction. "Democratic" France was now a constable in the service of Russia and England, the two World Powers who stood for reaction, and to have fought against whom with her last breath had once been the glory and honour of revolutionary France.

But the economic stagnation of France only became a national catastrophe when it was exhibited in its extraordinary and fatal contrast with the rise of Germany. When Germany, in 1813, though dismembered and bleeding from innumerable

wounds, none the less finally succeeded in ridding herself of the yoke of the French Emperor, this was not due merely to foreign aid, not to the fact that the French were sick of the war and finally refused their allegiance to the Emperor; it was also and above all due to the fact that the rise of Germany had already begun two generations before. In Austria and Prussia, two centres for the development of political power had already been established. The nineteenth century revealed unmistakably that the great central people of Europe was already on the road to economic regeneration and political unity. The years 1848, 1866, and 1870, mark the first stages. It was a world-historic revolution, the consequences of which were bound to hit France first of all. Her position in Europe had for four centuries been based on the impotence and dismemberment of German Central Europe. The World War sets—for the time—the final seal on this long development, the progress of which had been marked by violent collisions between the two great nations.

It had always been the fate of Alsace-Lorraine, as a frontier region, to belong to the empire that was in the ascendant. The loss of this district in the year 1871 was, therefore, of symptomatic significance for France. This explains the frantic endeavours of France to re-annex "at least" Alsace-Lorraine by means of the war. But the relative strengths of the two neighbouring Powers

have already become so modified to the disadvantage of France that the latter, who for centuries had been wont to see in Germany merely an object of her political ambition, now, though supported by an English army numbering millions, has not been able, in three years of war, to rid French soil of German troops, and this even though Germany on her western frontier is fighting with only one arm. The other arm is occupied in the east and the south-east. *This really decided the position of France as a Great Power.* If American troops should tread her soil for the salvation of France, then the French army itself would soon be the smallest contingent of all the armies in France. The days of the Thirty Years' War would have returned, but this time France and not Germany would provide the arena for the most varied assortment of foreign troops. *President Wilson would be the Gustavus Adolphus of the twentieth century transferred to a setting of Finance-Capital and Yankeedom,* even if he did not, like that Swedish "Betefürst," himself don his armour and cross the ocean to stake his own life in the field. It is very possible that France, after the war, like Germany in the seventeenth century, will suffer more from her "liberators" than from her enemies. Economically and financially, France has been reduced by the war to a state of complete dependence upon these liberators, and this quite apart from the probability of a Russian state-bankruptcy.

But England, after the war, will utilise her power to the detriment of France the more brutally, according as her power has itself been damaged by the war, and is, therefore, driven to shift the burden of war on to the shoulders of its weaker one-time war-comrades.

This war, therefore, marks the final overthrow of that cultural and political supremacy which France had enjoyed for centuries and which had already suffered a fatal blow in the war of 1870–71. The French still refuse, however, to look this brutal fact in the face, and so they fling themselves again and again, with the heroism of despair, against Germany's impregnable positions, knowing that behind these positions lies their fate. They fail to perceive that all attempts to restore France to her former world position prove the surest means of rendering such a restoration utterly hopeless. France is shedding her blood in the service of England; she is using her national energy, and closing irreparably all the channels by which she might have derived strength for a national and economic regeneration. Even supposing that the Peace Treaty assigned Alsace-Lorraine to France, she would no longer have the strength to assimilate these German provinces: so enfeebled at the very core has France already become.

As a result of this downfall of France, all the problems on our western frontier take on a completely altered aspect. Among them, the problem of Belgium. It would, of course, be impolitic and

irresponsible to settle the future peace with France solely in accordance with the friendly hope that, by meeting her in a spirit of accommodation, Germany might win the friendship of France. This would probably prove an empty illusion. Whether for decades we shall hear from our western neighbours anything but outbreaks of fanatical hatred of Germany remains to be seen. It is, of course, not unthinkable that the great mass of the French people may object to being driven to the shambles in the interests of England for yet a fourth winter of war, as soon as they know what a reasonable peace they might obtain at the hands of Germany. We can easily understand that, since France included in her own war aims not only Alsace-Lorraine, but also the Prussian Saar District and left bank of the Rhine, and in fact stipulated for these territories under her agreement with her allies, she takes it for granted that Germany is nursing similar ambitions at her own expense. As soon as this mistaken notion is dispersed, and at the same time the French recognise the impossibility of attaining their own fantastic war aims, it is not inconceivable that the bleeding and exhausted masses of the army and the nation might settle accounts with those who have hitherto held power in France, and that this might result in a "peace by understanding." But we could not surrender Alsace-Lorraine, and even the most favourable "peace by understanding" could not alter the irrevocable decree that fate has pronounced upon

France: that she has ceased to belong to the great nations of history. And this is the determining factor. For this reason, the prospects of establishing relations—or even friendship—with France, as was proposed in the manifesto of the Social Democrats of August 4, 1914, do not unfortunately, after three years of World War, appear very bright.

The more calmly we confront this fact, the more confidently shall we be able to make our deductions from the situation. *An enfeebled France has ceased to be the centre of attraction for the neighbouring small States, in particular for Belgium.* It has no longer anything to offer them save glorious memories. But this fact involves the spontaneous solution of an important political problem on our western frontier, and we shall not jeopardise this solution by any sort of annexations. The necessary "safeguards" will be obtained very much more easily, because they can be very much less brutal, than if we were confronted on our western frontier with a strong political power, prepared at any time for an offensive war of *revanche*, and exercising physical or moral sway over a whole host of small states. The three years of World War have made this a thing of the past. On the other hand, the internal revolutions which will in the meantime be accomplished in Germany must help to overcome the prevailing prejudice against Germany and her people. But of this we shall have more to say presently.

CHAPTER V

THE SOCIAL REVOLUTION IN ENGLAND

BUT, after all, in this war France plays no more than a subordinate rôle, a "passive" rôle in the truest sense of the word. The real bulwark of the international counter-revolution is England, and it is to England that we must now turn our attention.

Such a description of England is in flagrant contradiction with the views which were universally prevalent prior to the war. Of course the unfavourable opinion upon England which prevails at the present day has no connection with the fact that England is an obsolescent state from the point of historical development. Now as formerly there is rather a general conviction that England is an extremely liberal State, and hence there is all the greater indignation at the real or alleged infamy which marks England's conduct in the present war. It is perhaps not superfluous to insist that the point of view here expressed has no concern with these prejudices and moral indignations, and if England is made to appear as a reactionary State, it is from the standpoint not of politics but

of history, and in the first instance apart from any moral judgment. In my book, *Social Democracy: Its Aim and its Achievement*, published last year, I examined in more detail the contrast, from the point of view of historical development, of the two chief enemy States engaged in this war —Germany and England. England is there revealed as the representative of the old Individualism, who is now encountering in Germany the representative of a more advanced social principle. This more advanced principle is that of social organisation. The contrast in the development of the two States was due to the contrast in the conditions of their existence. On the one hand, an island on the borders of Europe, on the other hand a Central European territory; on the one hand Calvinism and Puritanism and the Liberalism and Democracy that these had engendered, on the other hand Lutheranism and Orthodoxy, and the patient submissiveness and State absolutism that these had engendered; on the one hand a fleet, on the other a land-army; on the one hand almost complete security of the home territory from the invasion of hostile armies, on the other hand, the almost absolute certainty that the home territory would furnish the arena for any war that might ensue; on the one hand a designedly weak State power, on the other a designedly strong State power; on the one hand, a traditional wealth resulting from long-standing domination of

the seas, on the other, traditional poverty resulting from long-standing exclusion from almost any contact with the sea; on the one hand free play for the national energies, on the other, police government and tutelage; on the one hand, a deliberate and unlimited exploitation of the proletariat, on the other hand, a social policy and protection of the working class. The manner in which these social contrasts have, in the course of the last four centuries, gradually developed and increased, is one of the main themes of my book above mentioned. I shall not repeat here the argument of that book, but merely resume the threads of it.

The rise of Germany at first presented a far less serious menace to England than it did to France. England dominated the world in virtue of her threefold monopoly of trade, shipping, and colonial possessions. At the middle of the nineteenth century, England felt herself so secure in her domination of the world that it seemed no longer worth her while to go out of her way to make further conquests. There was nowhere any sign of a rival. For this reason she even entertained the notion of giving up her colonies, and, in 1852, Disraeli spoke of them as millstones round the neck of England. Viewed from such a lofty vantage point, how insignificant must appear the paltry scuffle between the Prussians and Austrians in their brief campaign of 1866, or even the Franco-

German War! Even after the foundation of the German Empire, the economic development of the new Imperial State was for twenty years so insignificant that England had no hesitation in exchanging Heligoland for Zanzibar and a few possessions in Africa, and indeed congratulated herself on having secured a complete suit of clothes in exchange for a trousers button. It was not until the economic consequences of the Protective Tariff of 1879 began to make themseves felt that the rise of Germany assumed a serious significance in relation to England. It was the total revolution of the economic life of Germany, resulting from the organisation of Capitalism, which brought about the mortal antagonism between Germany and England, for it attacked England in her special domain, namely, industrial domination.

Individualism had been the historic social constitution of early Capitalism, and by early Capitalism we mean Capitalism up to the last third of the nineteenth century. The growth of the cartels and syndicates in the manner already described marked an epoch here. We have already alluded to the fact that, though the Protective Tariff of 1879 furnished a notable support to the cartel system, it was none the less not an indispensable condition of the latter. In fact, we had already, before 1879, experienced in Germany a preliminary cartellisation period which, in consequence of the great economic crisis following the Franco-German War,

had led to the foundation of the first coal, iron, paper, and potash combines. This, however, did not in any way alter the fact that the cartel and syndicate movement only became of historic importance after the adoption of the Protective Tariff. It was not until shortly before the end of the century that the more remote effects of this movement became evident; after that, its progress became every year more rapid, and, under the shelter of more and more insurmountable tariff walls, it soon began to pervade every department of economic life. It was the twenty years between 1893 and 1913—in the first-named year, after a long period of suspension, the economic tide began to turn—that really fashioned the new Germany, with her large increase of population, the vigorous growth of her foreign trade, and the gradual recognition of her dawning world significance

But these years also raised to the full height of its world-historic significance that antagonism between Germany and England which had long been latent; and they finally revealed the revolutionary rôle which Germany has to play in this World War.

Such a rapid development in the economic sphere, where hitherto very much longer periods have been required, is something so unprecedented that from this fact alone it could be judged that the cartels must have struck very deep root into capitalistic economics. It is, therefore, all the more

remarkable that this new system, which is so intimately bound up with Capitalism, should not have already long since made its appearance in the classic home of Capitalism, namely, England, where, as a matter of fact, it is still, even at the the present day, in a very backward stage of development.

To sum it up in a few words: *The ultimate backwardness of England was the result of her original pre-eminence, just as the ultimate pre-eminence of Germany was the result of her original backwardness.*

The old Individualism celebrated its supreme, but at the same time its last triumph in the proclamation of English Free Trade in the year 1846. Thereby it was declared that the State power was to abstain completely from any interference with the development of the economic powers of the nation. Just as the State power was not to intervene in the conflict of the social classes, so also it was not to have any say in regard to the economic relations of the various States to one another. Then, when every force had free play, it could at length be shown that, with this free play, no one would go short, and the result would be universal harmony. This theory, which sounded so harmonious and democratic, was in reality only the theory of the strong against the weak. Just as it was to deprive the working classes of any chance of enlisting the aid of the State in their

struggle against capital, so also, by its means, the economically backward States were to be left helpless before the enormous superiority of English industry; and, as a result of the illusion that free play of all forces necessarily produced harmony, they were to be compelled to renounce from henceforward any scheme of securing help against England by any appeal to the State power to introduce Protective Tariffs. To be sure, a year later, this theory experienced its first refutation, in the shape of the introduction of the ten-hours day in 1847. Thereby the old Individualism was really sent packing, and Marx rightly characterised the Ten Hours Bill not merely as a great tactical success, but also as the triumph of a principle. It was significant that this breach was first effected in the domain of home politics, in the conflict of the classes; in the conflict of the States, it was not until a generation later that this "triumph of principle" was to be celebrated in Germany's adoption of the Protective Tariff.

English Free Trade was the result of England's world-market monopoly, and was conceived as the strongest support of this monopoly. But the backwardness of English industry was, in fact, due to the absence of competition; and thus England's world-market monopoly itself engendered its direct opposite—world-market competition. This highly interesting development furnishes a very striking proof of the truth of the saying: "Care has been

taken that the trees should not grow up into the sky." In 1850, and even in 1875, no State seemed so proof against all attempts to undermine its power as England, whose position of world predominance was accepted as a matter of course not merely by the English, but also by almost every other nation. And yet now, hardly fifty years later, we see England engaged in the most bitter struggle for the maintenance of her world supremacy. She has summoned the whole world to her aid, and the whole world is powerless to win back for her her old world position. And who is her adversary? That small, puny, despised Central European State, which will fulfil, because it must fulfil, its World-Revolution task, the full purport of which it has itself even now not yet realised.

The causes of the decline of England's world position are to be sought in certain inconspicuous facts which gradually rendered the English economic system out of date. They are to be sought not so much in the universal phenomena of the extension of the railway systems, the discovery and exploitation of coal-fields on the Continent, the development of the world traffic through steam-navigation and telegraphy, etc. These facts did, of course, make possible the rise of non-English industries. But, in spite of this development, the world dominating position of England and her Free Trade would not necessarily have been endangered, for England, too, adopted all

those things, and for the most part possessed them already, before they became effective on the Continent. In spite of these world economic changes, England's predominance over all the other industrial states remained unshaken, so long as these industrial powers worked in the main after the English, that is to say, the individualistic method. This is evident from the fact that in those States where individualism still held sway, the state of dependency upon England and the disparity between their industrial development and that of England had not suffered any marked change. France and Italy, for instance, have never been serious rivals to English industry. The industrialisation of the Continent only began to be a serious matter for England, when individualistic Capitalism, with its free play of forces, was abandoned, and was replaced by something entirely new, namely, organised Capitalism. The doubling, nay, the tenfold multiplication, of the forces of production, which was thereby suddenly engendered, could not be attained by England with her unorganised "anarchic" method of production. England might still trade from her abundance, and draw upon the rich resources of her colonies; none the less, the competition of Germany and America, where this new kind of Capitalism had originated, grew more and more powerful, and proclaimed to England that the last hour of her world domination had struck. For reasons which

we have already mentioned, America did not at first give serious cause for anxiety to England. All the more powerfully did the world-economic effects of the new German Capitalism make themselves felt.

Let us call to mind the distinguishing features of the old liberal, individualistic Capitalism of England. Only then will the contrast with Germany become clear.

English industry had been the product of slow and to some extent organic growth. Through the decay of the old feudal society, and after the total extermination of the English peasant-class by the nobility, English industry had reached its zenith by means of co-operation and manufacture. England's characteristic industry was the textile industry, which demanded a comparatively small amount of capital, and in which individual enterprise was the general rule. The fact that the world position attained by England in the seventeenth and eighteenth centuries placed at the disposal of the capitalistic class an abundance of capital, derived for the most part from colonial policy and the slave-trade, was of decisive importance. The English manufacturers had no such need as was experienced by the German manufacturers later, to look about for artificial means of procuring capital. For historical reasons, money was at their disposal. It was in consequence of this fact, however, that an alliance between industrial and

bank capital, such as was to bear such rich fruit in Germany, was precluded in England. In accordance with individualistic principles, the private capitalist, not the joint-stock company, played the leading rôle in England, and the industrial wealth remained in the hands of the individual manufacturers. They were and remained the owners of the factories. When, later, joint-stock companies sprang up, the shareholders were recruited almost exclusively from the ranks of the few rich individual capitalists. They controlled bank capital, industrial capital, and commercial capital. The only function of the banks, and especially of the joint-stock banks, was to assist circulation credit. The furnishing of capital credit remained quite outside their activities. The accumulated capital sufficed to meet requirements. Hence the banks could not exercise a decisive influence on the organisation of English Capitalism. This development was supported by practical legislation and judicial administration, which, in order to safeguard the principle of "free play of forces," rendered this principle invalid in so far as the banks were concerned, and opposed with the utmost rigour any associations *in restraint of trade*.[1] Thus England, upon the whole, preserved the old original form of Capitalism which best corresponded with the individualistic tradition of the country. There was no advance towards a new order of things, nor even

[1] The words in italics are given in English in the original.

any attempt to counteract the blind, anarchic operation of capitalistic production by means of organisation of capital. The cartels which finally developed were no more than loosely organised price cartels and production cartels of merely transitory duration. Even the later "alliances" and "combinations" were powerless to effect any organic change in English Capitalism, and were in the main to be ascribed to the influence of American and German competition. One of the principal causes, however, of this backward organisation was English Free Trade. English Individualism (and in this it showed its intimate relation with English doctrines in political economy) regarded free competition as the only natural condition of economic life, and Free Trade as one of its most important guarantees. In the meantime, however, Free Trade, which Karl Marx, in 1848, had commended on account of its revolutionary influence, had been transformed into an element of reaction. Free Trade hampered the organic development of Capitalism in its native country, and became the immediate cause of the backwardness of England in the world market. It became evident that English Free Trade did not, as even Marx had assumed, represent the highest stage of development of capitalistic production, but that, on the contrary, it was adapted to a very primitive and anarchic form of Capitalism.

This English Free Trade had, in fact, a double

meaning. It was intended to secure free competition for English industry, but only in the home market; in the world market, it was to secure the reverse, namely, monopoly for English industry. It was typical of its self-contradictory nature that it should have re-established in the world its own opposite, namely, Protection, which England was so proud of having abolished at home in the year 1846. And if it was the task of English Free Trade to establish competition in the home market and monopoly in the world market, the task of German Protection was, on the other hand, to establish monopoly in the home market and competition in the world market.

We have already seen that the distinguishing feature of the new organisation of capital in Germany consisted in the alliance of the hitherto separate activities of industrial, commercial, and bank capital by the aid of Protection. This alliance was necessary for Germany, because only by its means could Germany make good her signal lack of capital, a lack which English industry had never experienced. Hence stock exchange transactions and bank capital had quite a different significance in Germany and England respectively. The German joint-stock companies were not associations of rich capitalists, who already possessed their capital before the joint-stock company was founded; they were associations of people who needed capital but did not possess it. The joint-

stock company was to place the necessary capital at their disposal. But this was only possible through the agency of the banks, in which all unemployed money, not only that of the capitalistic class but that belonging to other classes, accumulates and demands investment. This explains the very much greater influence which bank capital has exercised on industrial development in Germany. The firmer became the alliance between bank capital and industrial capital, and the more important became the influence of bank capital on industry, the more rapidly did free competition disappear from the home market. The individual manufacturer might still look forward to an extended market for his wares and a temporary increase of profits, as the results of a victory over his rivals. The policy of a bank, which had invested its capital in all kinds of enterprises, was determined by other considerations. For such a bank, competitive rivalry between its clients meant loss. The victory of one meant the defeat of another, in whose business the bank was equally interested. The bank, therefore, endeavoured henceforward to eliminate competition from the enterprises in which it was interested, and to establish monopoly in its place. Thus, the result of the influential part played by bank capital in the industrial development of Germany was the early elimination of free competition from the home market, and that strengthening of the cartel and

syndicate system, the historic significance of which we have already explained.

Owing to this organic development of German Capitalism, which had outgrown those first anarchic stages, beyond which English Capitalism, as a result of its individualism, had never passed, the rise of Germany now began to give cause for alarm even to England. The Anglo-German antagonism became the kernel of the whole world political orientation in all countries; and Germany, who had not hitherto played any world political rôle in modern times, and was in her infancy as a world power, found herself suddenly plunged into the most heated debates in all the principal territories of the world. And since there was a widespread ignorance concerning this newly arisen and still very insignificant State, it was easy for England and France to circulate through the world the most amazing fables and the most deliberate lies concerning it. The more vigorously the newly developed vital energies of German Capitalism bestirred themselves; the more its productive powers increased; the more, owing to the development of its merchant service and navy, it extended its operations to spheres which had hitherto been the monopoly of England; the more frequently it participated in the export of capital and consequently created for itself interests in foreign countries,—so much the more closely and persistently did England weave her net of calumny round

all Germany's actions. Thereby this young and rising revolutionary power only paid the tribute which has always been paid by all the revolutionary powers in history, whether they have been persons or whether they have been classes. Think of German Social Democracy, especially at the time of the exceptional law; think of Marx, of the heroes of the French Revolution—Danton, Marat, etc. If Germany is now being dragged through all the gutters not merely of Europe but of the world, if her reputation is flung to the dogs, yet a nation entrusted with the lofty mission of acting as the historic instrument of World-Revolution, must arm itself with revolutionary pride, and perceive in all this merely the admission of her historic greatness.

The proof of Germany's revolutionary mission, the proof of that spirit and force which alone counts in history, must, however, be furnished by the fact of Germany winning the day in the face of a world of enemies. Now, after three years of war, there is less reason to doubt that Germany will triumph than at any previous phase of this war.

The first testimony that England was compelled to bear to the revolutionary character of this war lay in the fact that she witnessed the complete and final collapse of her obsolete social system, that is to say, of Individualism. English Liberalism is a thing of the past. In order that it might not be swallowed up forthwith in the whirlpool of the World-Revolution, it was driven to copy, as

effectively and as speedily as might be, all those hateful characteristics of England's great opponent, for the destruction of which she professed to have gone to war, and against which she had employed all those naïve and clumsy catchwords from the days of periwigs and rationalistic pedantry, such as: Tyranny, Slaves, Freedom, Humanity, International Bliss, Virtue, Civilisation, and so forth. England's old mercenary army was done away with, and universal service was introduced; the old anarchy of individualistic capitalism was abolished, and was replaced by an almost too rigorous organisation of labour. The old theory of a weak State power was discarded in favour of the new practice of an all-powerful State. Even in the domain of agriculture, England now sought to copy her hated enemy, although the complete destruction of agriculture, that is to say, the fact that this destruction could be afforded, had been looked upon by the capitalistic class as a great social achievement. Such a destruction, it may be added, had only been possible because the English higher nobility took an aristocratic delight—which no Government had been strong enough to thwart—in converting agricultural land into game preserves or sheep tracks. Moreover, as if to make a mock of her own past, and to prove how completely the revolution of to-day had turned things upside down in this ultra-conservative country, and had restored the age of revolution of two hundred

and fifty years ago, a dictator stands once again at the head of England, a new Lord Protector, whose absolute power might well provoke the envy of any of the former Russian Tsars, let alone of the German Emperor. In fact, nowhere is the omnipotence of the State more unlimited, nowhere has the dictatorship of an oligarchy: the Cabinet, the members of which could almost be counted on the fingers of one hand, taken more brutal effect, than in the land of the old Individualism, which went to war—and most of its citizens believe this even to-day—in order to fight against that dictatorship and state-omnipotence which converts "free citizens" into "slaves." Never before has the traditional hostility of the English to radical revolutions been so completely reduced to an absurdity as in the days of the World-Revolution.

What are the decrees of the Convention of 1798, which abolished the *ancien régime* in France and created the modern state, compared with the huge transformation which England has undergone in the three years of the World War? These transformations, in respect to promptness of decision, extent of their effect, and disregard for old interests and old points of view, excel anything that was ever achieved by the French stock example of a revolutionary parliament. If an Englishman were to return to England to-day, after three years spent on a polar expedition, he would not recognise his country again, and he

would feel like the hero in Bellamy's *Retrospect*, who, in the year 1889, fell into a magnetic trance, and awoke in the year 2000 to find a completely transformed social order.

If it was England that was most profoundly affected by the subversive influence of the World-Revolution—very much more profoundly than Russia, despite the Russian revolution—the reason was, that England had the most backward social system, and had too long persisted in her splendid isolation, and was out of touch with the motive forces of the new social development in Europe. Thus England, in this sphere of historical development, was undoubtedly the most reactionary power in Europe; and therefore the social constitution of none of the countries involved in the war was to collapse so completely and with such headlong vehemence as did that of England. The war, that merciless foe of all empty phrases and deceptions, stripped from the idol of Europe her hereditary rags of State, and the world perceived with amazement that this idol, before which for centuries it had reverently bent the knee, did not radiate forth any all-subduing power, and was not even capable of preserving its friends from ruin. This process of disillusionment is as yet only in its first stages, but it will extend further, and its influence will go deeper, according as it becomes more and more evident that England is incapable of winning the victory and of maintaining her old world position. This

great new lesson, which the world has still to learn, will be a part of the spiritual revolution which has to take place in the minds of men, after the material revolution has already been determined.

It ought not to be imagined, either in England or elsewhere, that the profound changes which the war has effected in the economic order, are merely war measures, which, with the return of peace, will vanish like nightbirds before the light of day, so that the harmonious "free play of forces" may begin again as before. This is out of the question. A complete return to the old economic conditions is everywhere utterly impossible; the war has altered the social structure too profoundly. Most impossible of all, however—if there could be degrees of impossibility—is such a return for England. The energy and vigour with which, upon the whole, the people of England have adapted themselves to the tremendous economic revolution, which has made greater demands on the customary way of thought and feeling in England than in any other country, is sufficient proof that Great Britain, even in the future, will still be one of the greatest and most influential nations. Of course, *England, too, will not get through this war without serious social disturbances;* the throne of the old Queen of the Seas has been too rudely shaken. For the first time, the blood of English citizens has been poured out in an English war; and, for the first time since the defection of the American Colonies, England

is making the discovery that there can be wars which are not mere light-hearted marauding expeditions and opportunities for the fantastic enrichment of her hirelings and for the conquest of defenceless colonial territories. For the first time, England has gained an inkling of what war really is. Hitherto, she had regarded war as her most important and productive industry, and it had been one of the oldest traditions of her glorious policy to plunge other nations into its misery.

Let us now examine the changes which the three years of World-Revolution have brought about in the economic constitution of England. We shall best be able to do this if we first consider English trades-unionism and the transformations which it has undergone in the war.

In doing this it is important that we should not lose sight of the difference which exists between the nature of the English trades-unions and the trades-unions of every other country in Europe. English trades-unions, like those of any other country, are the organisation of a "governed" class. But this "governed" class is the working class of the country which governs the whole world. And in this world domination the English trades-unions have to a certain extent participated; to it they owed their exceptional position, which was expressed in their higher standard of living, their higher wages and better working conditions, as compared with the working classes of the other

industrial countries of Europe. They felt themselves, as Karl Kautsky once expressed it, united with the English Capitalists as a privileged class, compared with the population of the conquered territories. And not merely of the conquered territories. The English trades-unionists had the same feeling of comparative solidarity with their bourgeoisie in relation to the population of every other country. *They felt themselves shoulder to shoulder with their capitalistic class as the ruling class of the world.* This unique position was the distinguishing feature of the English trades-unionists, and set them in striking contrast with the working classes of all other countries. Although they themselves represented the organisation of a class that had been exploited by English Capital, they were none the less interested in the exploitation of the world by the same English Capital. Any one who attacked the exploitation of the world by the English attacked the English trades-unionists themselves; for the domination of the world by England was the basis of their trades-unionist policy, indeed of all their actions and their thoughts. In virtue of this solidarity of interests with the exploiting English bourgeoisie, the interests of the English working class were in contrast with the interests of the working class of every other country. This situation disposed of all illusions concerning the Internationale and the solidarity of interests of the Proletariat. It was the real reason for the

collapse of the international organisation of workers upon the outbreak of war.

Now, it is true that the war found English trades-unionism at a critical stage of its development. Since about the beginning of this century; German competition had gradually been making itself felt in the English market. The effects of the new organisation of Capitalism in Germany were plainly revealed. But the relation of the English working class to their employers was strongly influenced by this fact. There set in a period of wages disputes, which, in their extent and their bitterness, eclipsed anything of the kind that England had experienced for decades. At the same time, the English trades-unions began to shape for themselves a political organisation. In 1900, as the result of a legal judgment which seriously threatened the fighting methods and the hitherto existing rights of the workers' organisation, the Labour party was founded. It is true that in parliament this party merely acted as an auxiliary force of the Liberal party, but none the less it was a proof that the trades-unionists had abandoned their previous tactics of abstinence from politics, and as such it was significant and important. The bourgeoisie recognised that any weakening of their position of world domination would immediately set Acheron in motion—a recognition which was hardly calculated to strengthen the peaceably disposed elements in the English industrial and commercial

world. In fact, the last decade before the war was a period of extreme unrest in the economic life of England; and it could not but be thought that, if peace were maintained, the relations between hired labour and capital, even in England, would become more and more embittered, and that the English working class, hitherto so harmless, would become infected with the radical tendencies of Socialism. From this point of view, in my political essay, *Die Deutsche Sozialdemokratie und der Weltkrieg* ("German Social Democracy and the World War"), written in 1915, I described the War as *the flight of the English bourgeoisie before the advance of Socialism.*

The war did in fact, at first, relieve the Capitalist class from all its embarrassments. After a very brief interval of psychologic doubt, the English working class fell into position by the side of its bourgeoisie, and this attitude became only the more stubborn, the more clearly the war revealed its revolutionary character, and was seen to be a life-and-death struggle for the maintenance of English world domination. But, as time went on, the contrast between this process of political reconciliation of the two classes and a simultaneous process of economic estrangement became ever more conspicuous. Beginning from the year 1915 at latest, the war began to exert its disintegrating influence on the economic life of the nation. As soon as it was recognised in London that the war

and the course it was taking were quite other than what had first been imagined, people were compelled to draw conclusions. In the first place, as regards military organisation: the mercenary army was abandoned in favour of Kitchener's voluntary army. In order to escape the detested system of compulsory service, the trades-unions conducted a vigorous recruiting campaign among their members for the purpose of encouraging voluntary enlistment. Nevertheless, they gained the opposite of what they desired, and universal military service was introduced. This introduction of conscription made wide gaps in the ranks of the English industrial working class, and compelled the Capitalists to adjust themselves to new conditions. But, at the same time that industry began to suffer from lack of skilled workers, the most enormous demands were made upon its productive powers. The needs of the new army of millions passed all bounds; the expenditure of munitions exceeded anything that had hitherto been dreamed of; and England's Allies, who were behind her in industrial development, were mainly, in so far as they were not helped out by America, dependent upon her for their supplies. The result of this new and unexpected situation was the Munitions Act of June, 1915. This Act dealt a final blow to the old English labour system, and for the first time the revolutionary influence of the war upon British economic life was fully revealed.

The State had already laid its hands on the railways and the mining industry, and taken these under its control. *Now it gradually converted almost the whole iron industry into a State enterprise.* The employer received from the Ministry of Munitions, which controlled all the businesses concerned in war industries, a definite order, which he had to fulfil. His remuneration was fixed by the Ministry. The trades-unions had, for the period of the war, to renounce all their rights and customs. At first it had been attempted to persuade the trades-unions to make this renunciation voluntarily. But the leaders, who seemed disposed to do this, were left in the lurch by the masses. Not till then were the rights of the trades-unions abolished by legislation. The Munitions Act was the result of the refusal of the English trades-unions to renounce their rights. In order to sweeten the pill, it was expressly promised in the Act that, as soon as the war was over, the old trades-union rights, which had, of course, in the first place, only been abolished in so far as they concerned war industries, should come into force again, and that every workman who joined the army should find his place open upon his return.

It was obvious that such a law, and, above all, such promises, could only be carried out if the war was short. If it lasted longer than a few months, important modifications were inevitable.

But the months lengthened into years, and in the meantime, under the influence of the Munitions

Act, the conditions in the iron industry were completely transformed. Since the employers no longer had to reckon with the opposition of the trades-unions, a serious obstacle to the increasing of the productiveness of labour was henceforth eliminated. In several cases recourse was had to the Tailor system, by which the movements which the workers had to make in the process of their work were exactly determined beforehand by means of cinematograph pictures, and by this means the working force contained in every worker was pumped out of him as completely as possible and in the shortest possible time. The wages were no longer fixed in accordance with trades-union agreements, but were calculated "scientifically," on the Tailor system, according to the physical movements demanded by the work. The tendency of such a method was to eliminate the trained hands—that is to say, in particular, the workers belonging to trades-unionist organisations, and to introduce in their place the unskilled, the unorganised, and women. The employers, of course, were very prompt in seizing their opportunity. They found that they could increase the output of their business without increasing the number of skilled workers, and that they could produce their articles more cheaply without reducing the wages of the workers. That increase of the productive force of labour, which had been thwarted by the power of the trades-unions, could now, since that power had been overthrown, be carried through. The English

employers, as a result of the Munitions Act, were able to avail themselves fully of the advantage of series manufacture and of specialised machines, and the consequence was—at any rate according to the English Capitalistic newspapers—that the productive power of the individual worker was doubled. Under these circumstances, it was not surprising that English employers engaged in war industries wherever it was possible to do so. But the more factories came under the Munitions Act, the more restricted became the field in which the old trades-union regulations still held force. The employers who were working in accordance with the new methods became less and less disposed to abandon these methods. They came to regard the promises made under the Act that the old trades-union rights should be restored more and more as troublesome fetters, and already in January, 1917, *The Times* declared openly that there could be no question of such a restoration. Too many things had happened, so it declared, for it to be possible to endeavour to restore the customary methods, without violent disturbance. The nation would have to recognise that its traders had made promises which they could not perform. The working class would be embittered, and justly, and the Government would perhaps not be able to resist the temptation to embark on a policy of "sham restoration." To try to find a certain kind of understanding would mean nothing else than to guarantee all the important points in the

charter of the trades-unions, without thereby throwing into confusion the newly created industrial world. No agreement brought about in this way would effect a genuine pacification, or help the unskilled and unorganised, or discourage the "ca' canny" tactics.

It was clear that this development was bound to excite feelings of serious alarm in the ranks of the organised workers. These feelings were openly expressed at the Congress at Manchester in January, 1917. It was resolved to send a deputation to the former Minister of Munitions and present Prime Minister, Lloyd George. But the answer which they received was not calculated to soothe their apprehension. Lloyd George declared outright: "I hope that every class will not be hankering back to pre-war conditions. I hope the working class will not be the class that will set such an example, because if every class insists on getting back to pre-war conditions, then God help this country! I say so in all solemnity. Therefore, what I should be looking forward to, I am certain, if I would have been presumed to have been the adviser of the working classes, would be this: I should say to them, 'Audacity is the thing for you. Think out new ways; think out new methods; think out even new ways of dealing with old problems. Don't always be thinking of getting back to where you were before the War; get a really new world."

Here, again, it was declared in unmistakable

terms that a reversion to the old economic conditions was impossible. Else God help England! No attention was paid in the German Press to this speech of the English Premier, and even the English Press did not report it until two months after it was delivered. And yet it was one of the most significant speeches that Lloyd George has ever made, for it contained a plain admission that things could not go on after the war as they had gone on before the war. While *The Times* was speaking of a new-created industrial world Lloyd-George was appealing to the workers to build up an entirely new England. *The war had done for English industry what the adoption of a Protective Tariff and the development of the cartel system had done for German industry.* Dispersion among private enterprises had been done away with by the introduction of State businesses, or at least of definite State control. The whole iron industry was now almost like one gigantic cartel, apportioning orders among its members, distributing profits, fixing wages, and determining prices. Competition was not excluded formally, nor by a Protective Tariff, but under existing conditions it was impracticable. The Government saw to the suppression of any resistance on the part of the worker, and it was in the highest degree significant that the provisions of the Munitions Act deprived the workers of practically all their rights, and were far more stringent, for instance,

than the prescriptions of the German Auxiliary Service Law. And, just as in the case of the industrial cartel, the members try to outstrip one another as regards output, in order that they may come off better in the allotment of orders, so in the English iron industry, the employers tried to outstrip one another in the development of working-methods. This brought about a general increase in the productive force of labour, which very soon resulted in a doubling of the productivity of the individual worker. It was the more impossible to contemplate a renunciation of these improvements, since it had become evident that after the war a period would follow when very great demands would be made upon English industry, and that it would be impossible to cope with these demands by means of the old working methods.

Thus, as a result of war economics, changes had been effected in the economic organisation of England, which abolished at one stroke the old haphazard disconnected methods of individualism in the most important branches of industry, and established in their place the greatest concentration and systematic control by a supreme court of appeal. The progress in organisation, even if it was only evoked by the stress of war and exhibited all the defects of a hasty improvisation, was none the less unmistakable, and must never again be relinquished—else, God help England! But if this

was clearly an economic and political necessity for England, on the other hand it was no less clear that it must lead to very serious disputes, for to the English trades-unionists it signified nothing less than the gravest menace to all that they had achieved and the undermining of their former strong position in English economic life. They could begin afresh, and, in fact, Lloyd George had advised them to create a completely new world. The workers had recourse to a strike, in order to defend their trades-unionist rights. In April and May the conflicts in Lancashire and the neighbouring districts assumed considerable proportions. But again the Government intervened in favour of the employer. A supplement to the Munitions Act was brought before Parliament, according to which the provisions of the Munitions Act might be extended to all businesses, whether engaged in war industries or not, in case the Government decided that this was necessary. In other words, the whole domain of English industry might be made subject to the war-law, the consequence of which would be that trades-union rights would be completely and universally abolished. At the end of April the Bill was accepted by a large majority on the Second Réading in Parliament. Most of the representatives of the Labour party voted in its favour. The strikers, whose numbers had now become considerable, were not supported by the leaders of their associations, and the movement

spent itself in disconnected strikes, and, by the end of May, was for the time being extinguished.

These facts illustrate very strikingly the dissolution of the hitherto existing economic constitution of England. The country is in a state of painful transition to a new stage of development, and it is only in the nature of things that the old trades-unions should be very hard hit by this process of transformation. The foundation of all their previous policy, namely, English world domination, has been shaken. After the war English Capitalism will be compelled to work much more rationally, and to adapt itself to much more unfavourable conditions than existed before the war; and it will, therefore, no longer be in a position to satisfy and tolerate the demands of the trades-unions with such comparative ease as heretofore. And it is here that the peculiar dual nature of the English trades-unions is clearly revealed. As parasites of English world domination, they are interested in the exploitation of the world by England, and to this extent they constitute an element of reaction. As representatives of the working classes, on the other hand, they are the proper champions of progress and of historical development. To be sure, they are only the latter in a very limited sense, since they represent not so much an organisation of the working classes, as an organisation of the aristocratic upper ranks of the working classes. That fundamentally aristocratic

character which adheres to the whole constitution of English society, distinguishes also the trades-unions, who were always less concerned to secure rights for the English working classes than to secure privileges for the English trades-unions. Admission to their organisations was never very easy, and there was a tendency to make it still more difficult by means of excessive entrance fees. There can be no doubt that the policy hitherto pursued by the trades-unions was to a certain extent responsible for the backwardness of English industry. England's urgent need of increasing the productive force of her labour in the future is transforming the old organisation of her industry, and will not be satisfied without very serious conflicts with the trades-unions. The present situation, in which the main outlines of the new organisation of English industry have been defined, in which new working methods have been adopted, and in which—even if only as a temporary war necessity—a concentration of the various business enterprises has been brought about and has proved strikingly effective—finds the trades-unions powerless and the State all-powerful; and this fact may be fatal to the trades-unions and their future. *A return to the former state of things and a restoration of the old trades-union rights is out of the question.* On the other hand, it is impossible that the English working classes should be the victims of the refined form of sweating

involved in the Tailor system and other methods. *Hence England is threatened with very serious internal conflicts.* In these long and bitter conflicts over the shaping of England, the English trades-unions will be fundamentally altered; they will lose their exclusive character, and will become a genuine democratic organisation of the masses. Their aristocratic character was only a reflection of England's world domination. The shattering of this world domination through the war will also shatter its reflection, *and will compel the trades-unions to shape for themselves a new policy upon a new foundation.* The more England is deprived of her exceptional position, the more will the living conditions of her organised workers approximate to those of the proletariat of the other great capitalistic countries. English trades-unionism will cease to depend upon the exploitation of the world by England, because this exploitation, in the sense in which it has existed hitherto, will itself cease. Only by this means will the foundations be laid which will convert the international solidarity of the proletariat into something more than a pious wish or a resounding phrase. The growing uniformity of the conditions of their lives and of their struggles among the proletariat of all the great industrial countries will bring about a growing uniformity of their political aims; and the socialistic theory which, so long as the English world domination continued,

remained foreign to the English proletariat, will take root in the latter in proportion as the war succeeds in shattering this world domination.

Thus that "new-created industrial world," to which *The Times* made allusion, and the entirely new world which Lloyd George had in view, signify in reality a transition from the individualistic industrial system of England to the deliberate organisation of Capitalism. In Germany, as we know, this epoch-making development had taken place with the effectual aid of the Protective Tariff. In England the war and the Munitions Act performed the function of the Protective Tariff. It is, however, more than probable that, after the end of the war, English political economy, too, will turn to the Protective Tariff. The organisation of the "Imperial Federation" is an aim which is already being vigorously discussed in English politics, and it is on a line with the economic war after the war, for which England's industrial magnates are likewise making energetic preparations. But, for both, the Protective Tariff is the obvious weapon, and there is an animated propaganda on behalf of such a tariff. Its ultimate victory will be the climax to the revolutionary consequences of this war for England, and will mark the final disappearance of the old liberal and individualistic England.

The collapse of English Free Trade would mark a new era, but certainly not a peaceful era. In

the chapter entitled " The Revolutionary Influence of Protective Tariffs," we have explained by the light of the economic development of Germany what a disintegrating, shattering, disturbing, revolutionising influence the new Protective Tariff of 1879 exercised in the world; how, on the one hand, it engendered such a development of the productive forces of Capitalism and such an augmentation of the wealth of the community as is without precedent in the history of human labour, and compared with which even that far-famed and intoxicating increase of wealth and power which, as Gladstone declared in the year 1863, the first few decades of English Free Trade brought to the English propertied classes, fades into insignificance; on the other hand, this same Protective Tariff, in so far as it has indirectly brought about the World-Revolution and the World War, has led to such a destruction of wealth and to such a waste of the productive forces of society as is likewise without precedent in the annals of human slaughter. The adoption of the Protective Tariff by what has been hitherto the last and greatest stronghold of Free Trade will tend to produce the same phenomena. It will promote the organisation of a Capitalism that has hitherto been anarchic, since the Protective Tariff, in contrast to Free Trade, implies the conscious shaping of the economic life of the nation. But the methods hitherto employed in Germany to this end would

achieve altogether different triumphs in an English World Empire consolidated by means of a Protective Tariff. The size and extent of its own economic field is, as we have seen, of the greatest importance for a cartellised industry. The immense superiority of the English economic domain would thus present a far more favourable field for the operation and development of the methods of Finance-Capital than was the case with Germany. The larger the economic domain, the larger will be both the home market and the profits of the cartels, and therefore the greater also the incentive to bring working methods to the highest point of efficiency, to keep going only the most rational businesses, to reduce working expenses, to employ machine power in place of man power, and to produce more and more rapidly and with less and less human labour an ever-increasing quantity of commodities. In proportion as the productive forces of the English World Empire increased, its home market, prodigious as that is, would become rapidly too narrow to afford the necessary scope for English finance capital. The growing profits of the cartels would drive up the export premiums, and the struggle for the "world market," or for as much of it as was still available, and the invasion of territories barred by Protective Tariffs would be conducted with increased vigour. The consequence would be, therefore, a renewed danger of war, but on an enormously extended scale.

Of course, in sketching such prospects as these, one must not forget the counter-effects. The new Capitalism, organised by great industrial alliances, involves a control of the productive forces of society; but if, none the less, it leads—and must by its very nature lead—again and again to new dangers of war, the reason for it is that this control entails in itself a contradiction, because in the main it benefits only a minority and remains in the hands of a diminutive oligarchy. For this very reason, it comes into ever harsher contrast with the interests of the overwhelming majority of the nation. The more rationally human labour is organised, the more abundantly the horn of plenty of socialised labour can pour forth its gifts, the greater will be the dependence of the many on the few, the more will independent livelihoods tend to disappear and their representatives to be converted into wage-earners or dependents of the great capitalists. The interest in ridding the organisation of Capital of its discordant character is becoming so much the more the common interest of the overwhelming majority, since the only certain consequence of the increasing social wealth seems to be a renewed and unlimited impoverishment by new and more and more terrible wars. In the face of these dangers, Socialism appears the only solution, and, moreover, a solution corresponding to the nature of the case and already prepared for. Social Democracy,

as the political organisation of the new working class—not, as at present, merely or primarily of the old industrial working class—is entering upon the last phase of its political struggle, and is setting the seal on the liberation of labour by freeing it from its cloak of Capitalism. The Protective Tariff would then have accomplished its revolutionary task, and the union of the whole world market into one economic field would at length open the way to Free Trade. It would, of course, be a Free Trade of a different character to that of English Free Trade in the days of the old Capitalism, which was merely designed to give expression to the monopoly of English industry in the world market. Under the new Socialistic Free Trade, the utmost productivity of labour and the most rational international division of labour would at length become possible.

But these are, after all, only visions of the future, and it will require some decades of the world's history to bring them to maturity. In regard to the present situation, it is sufficient to fix one's attention on what is already in plain process of development. And here it must be stated that the transformation of the old England has already reached a very advanced stage. Those industries which are most important for the modern State, and, above all, for England—coal and iron and the traffic industries (railways and shipping)—have either completely, or in the main,

been taken over by the State. A reversion to private capitalistic control of the mining industries, for example, seems entirely out of the question. Not only has the very powerful trades-union of the miners expressed its resolute determination not to tolerate any such reversion; it has also been recognised that the supply or the withholding of coal may serve the State as a political weapon (of which England has already made drastic use in the World War) by means of which, should occasion arise, to exercise at discretion an irresistible pressure on foreign powers. England has recognised the backwardness of her industry, and is firmly resolved to recover her supreme position by means of the quality of her wares. In every sphere of economic, technical, and scientific activity, in so far as they are important for the world market, England means to secure the leadership. This will not be achieved between to-day and to-morrow, but the successes that have already been achieved, and, above all, the energy with which she has set to work, furnish evidence of *the new life and vigour which the war has infused into England.* The development of a great chemical industry, an industry for the production of medical preparations and patent foods, a great optical industry, a rational organisation of the shipbuilding industry (during the war the shipbuilding yards have been taken over by the State) with the mass production of single uniform types, of the

automobile industry and of the aircraft industry (which has a great future before it): all this forms part of the working programme of the new England. If we look at it more closely, we perceive that the end in view is not merely the eclipse of Germany—and to a certain extent of America—by means of greater productiveness, but, above all, *the supremacy of England in all the industries connected with war.* England will be assisted in carrying out this future programme by the mass of information which she has gained through searching the ships of all nations, through her control of the postal traffic of the whole world, and through the supervision of the trade in neutral countries by her consuls and agents. In this way, England has gained a general survey based on the newest materials and such as could not have otherwise been procured, over every field of world economics, and, in particular, over every field of competition; a survey which, in respect of its scope, conciseness, and comprehensiveness, is something quite unique. The card index of the world trade drawn up in England alone comprises about 250,000 names and addresses of non-English firms and individuals, together with exact details of their activities. By this means England has equipped herself with a weapon, such as is not within the reach of any other State, and which is intended to provide and, to some extent, has already provided, a valuable means of securing a new domination of the world market.

But this is not enough. The English capitalistic class is resolved to secure for itself all the advantages which the organisation of Capitalism, with its cartellisation of industries, conferred on the export trade in Germany before the war, and this without waiting until English industry shall have arrived by slow and organic development at the stage of maturity of the German organisation. Rather England is taking the point reached by Germany as the starting-point of her own development, thus curtailing very considerably the historic process. In order to increase the export trade, an export trade bank, the British Trade Corporation, has been established, the working capital of which is declared to be ten million pounds. *Thus at one stroke the way has been paved for that close connection between industrial and bank capital which in Germany was the fruit of a development extending over decades.* The new bank is to facilitate the conquest of foreign power by English industry, and to support the export syndicates, which the middle and lowest ranks of the English manufacturers all wish to join. Therewith the organisation of industrial capital in England also has been set on foot, and, significantly enough, it has been supported by the State from the outset.

This far-reaching revolutionary process in the technical sphere is accompanied by a no less far-reaching revolutionary process in the social sphere. The composition of the English working class has

been greatly modified by the war, in consequence of the new influx of female labour. The first great influx of female labour in the sphere of industrial activity was brought about by the factory system. The World War has brought about a second influx. For example, since April, 1917, even in the shell factories, only twenty per cent. at the most of the hands are men; the rest of the work is all done by women. England is in process of establishing the permanent and equal co-operation of women even in the sphere of advanced technology. Technical training schools for women have been started, 200 women being trained in aircraft construction in a single institution. This is a new development, the consequence of which cannot yet be foreseen; but, if there is no question of doing away with female labour after the war, it is obvious that the social life of England in the future will wear an entirely different aspect, and that, above all, English trades-unionism, but also the whole political and social-political life of England, in the school and the home, in education and in the care of the young, must be invigorated and rejuvenated. The first result of this change is evidenced in the introduction of female suffrage, which has been proposed, and in principle already approved in Parliament. *Again and again we are impressed by the elasticity and vigour with which old England is grappling with the effects of the World-Revolution*

upon her antiquated social constitution. In this Germany may well learn much from her.

Another factor of the utmost importance is the revival of English agriculture. As a result of the war, England has to a large extent forfeited her island character. Submarines and aircraft—the future of which is as yet incalculable, but will certainly be very important—have deprived her of this character, and have thus effected perhaps the greatest transformation which England could possibly have experienced. It destroys the foundation of the whole of English life, a foundation which had hitherto been regarded as absolutely indestructible. It has made the revival of English agriculture a vital necessity of the English State. The task which here confronts the statesmen of England is unique in its magnitude, and involves the most violent break with the relations of property and ownership hitherto existing in England. The agrarian system of England is marked by the hopeless preponderance of large estates and the complete development of the capitalistic lease system. Of an independent peasant class there remains scarcely a vestige. Now, in connection with this necessity of restoring English agriculture, there can be no question of the restoration of the old extinct peasant class, but rather of founding free agricultural associations—that is to say, new social organisations, such as could only be developed and maintained

with the support of the Government. Already, during the war, the Government has resorted to compulsory cultivation in certain areas, and even to the parcelling out of large estates which had not been adequately developed for agricultural purposes. It is proposed to continue this parcelling out of estates on a large scale after the war, and to put within the reach of the new agricultural class all those means of social organisation, to which German agriculture largely owes its force and efficiency. The social revolution which is here preparing involves the destruction of the last remains of the old England. It is affecting the very foundations of society. It is creating a new social class, and it is preparing the way for the first great example of an agriculture systematically organised in accordance with social and national needs.

The social collapse of the old England, and the building-up of a new England, which is thus taking place, is the greatest revolutionary phenomenon of the present day. With it there falls to the ground a colossus of counter-revolution of quite a different type to that presented by Russian Tsarism, and, at the same time, a much more dangerous, because a much more powerful, enemy of the free social development of the nations. It is not without reason that a man like Marx refers again and again to England as the despot of the world-market, and to the old "double-slavery" of

Europe (by which he means the English and the Russian slavery), to the country which converts whole nations into its proletarians (which is exactly what England now has in view in regard to the German nation), the country whose giant arms encircle the whole world, whose money has once already defrayed the expense of the restoration of Europe, within whose home frontiers class contrasts have grown to the most flagrant and shameless proportions, and which starves its coming generations while they are still in the womb. Again and again we find in Marx this unerring recognition of the strongly reactionary character of England from the point of view of historical development, and it was not his fault if German Social Democracy subsequently developed an almost morbid and utterly unhistorical predilection and enthusiasm for England, such as was simply unintelligible in the champions of social revolution. The German Labour party has had to pay dearly during the war for this mistaken view. Its political helplessness in the face of the great fact of the revolution, with all its bitter consequences, party cleavage at home, boycotting abroad, is ultimately derived from this original error.

At this moment the whole world is at war. Humanity has, for the first time in history, lost its abstract character, and stands distinctly and tangibly revealed, working on behalf of an aspiration. This miracle of human solidarity has been

brought about by Capitalism; and, therefore, it is not to be wondered at that the common aspiration is mutual slaughter and destruction. But, as Heraclitus tells us, war is the father of all things, and so *this war will only be the beginning of a new epoch in which the nations and races of the earth will be brought nearer to one another.* England, as mistress of the world, has allowed scarcely a single State to remain neutral, and what England could not do was done by the United States. Thereby Capitalism has proved that it has now subjected the whole world to its rule. There is no longer any country that has not heard its call. The planetary epoch of humanity, as Kjellen described it, has therewith begun in earnest. Only begun however. It will only be completed when Capitalism shall have penetrated the whole world; and this penetration will be a direct and inevitable consequence of the war, though certainly not in the form of a "peaceful penetration." The destruction of the English monopoly does not give promise of a peaceful epoch, but only of a fiercer competition for the possession and the domination of the world. This competitive struggle will be waged with all the weapons of commercial policy and of the organised State power. Since England and her colonies together comprise a fifth of the surface of the globe and a fourth of the human race, the adoption by England of a Protective Tariff would withdraw an immense extent of

territory from free competition, and would seriously prejudice the position of German industry in what have hitherto been its most important export markets. In the face of this, the attempt to re-establish and develop the German Colonial Empire would, of course, be necessary; but it would not be sufficient, especially since the omens in respect to the attitude of the United States after the war are not exactly reassuring. Just because it has to be reckoned with that the coming peace will be a continuation of war by other means, Germany is compelled to take new bearings in regard to her economic position.

This leads us to a consideration of the Russian problem.

CHAPTER VI

THE RUSSIAN PROBLEM

THE war for some time spread a veil over the deep antagonism which exists between Russia, on the one hand, and England and France, on the other; but only in order to exhibit it with so much the more distinctness in the third year of the war. The antagonism resides far less in those conflicts of interests which were revealed in the struggle for the "Turkish inheritance" and the fate of Persia, or in Central Asia and in the Far East, and which, owing to the efforts of English diplomacy, had been suspended at any rate for the time being, but rather in the general character of the three Powers. England and France are old world despots, who have either lost their throne or are now contending for it. They are full of old wealth; they have assumed more and more the character of States subsisting upon their independent incomes, and their social constitutions are becoming more and more out of date. Russia, on the contrary, is in the first stages of her economic development, and is suffering not from an outworn but from a still backward culture. Accumulated

capital, of which the other two countries possess a superfluity, is the rarest phenomenon in Russia, and to a large extent (consider, for instance, the French export of capital to Russia) has been primarily imported from foreign countries. In fact, the young barbarian State, always hungry, and hungry for everything, with its as yet quite undetermined national unity, presents the sharpest contrast to the surfeited, over-refined, half-exhausted Western States, with their national compactness and their old historic greatness.

In the sixteenth and seventeenth centuries Russia played the part of one of the most important colonies of rising England. At the beginning of the eighteenth century, when in shipbuilding the transition took place from the rowing-boat to the sailing-ship, this revolution, which was of special importance for England, could only be accomplished if Russia could be transformed into a prolific source of flax, hemp, potash, tar, pitch, mast-wood, etc., for export to England. At that time England did not yet possess any Indian Empire, and her North American Colonies were still undeveloped and thinly populated. English commercial supremacy, of which the prosperity of the shipbuilding industry was a necessary condition, made the maintenance of the Baltic trade a constant concern of English policy; and when Frederick the Great, at the beginning of the Seven Years' War, concluded with England the Treaty of Westminster, he was frankly

warned that he must not count on a rupture of the commercial relations between England and Russia; and the provisions of that treaty, according to which England was to despatch to the Baltic eight ships of the line and several frigates, were in fact never observed. At the time of the industrial revolution in England, Russia, which had hitherto been of importance only for the English woollen industry, was converted into a market for the cotton industry, while at the same time she continued to be the chief source of supplies for the English shipbuilding yards, and now in addition supplied the raw materials for the English wholesale industries. Finally, after Waterloo, when Warsaw, the greatest purveyor of corn to England, fell to Russia, and at the same time the new corn duties were introduced in England, Russia acquired a new but not a diminished significance for the English market; and the league with Russia, that "old," "natural" ally, who would never let her English friend want for bread, was loudly extolled by the English Free Traders. It was not without reason that, after the abolition of the corn duties in 1846, Cobden was received in Russia with unbounded enthusiasm. Thus, up to the advent of the international competition in foodstuffs which followed the development of the United States, Argentina, Canada, and Australia, it was principally Russia who supplied England's wholesale industry with raw materials and her

helots with bread: the commercial subjugation and exploitation of the bourgeois class of the various European nations by England, the despot of the world market was, for the rest, as Rjasanoff says, only made possible by the aid of the despot Russia.

This historical connection between the English world domination and Tsarism ought not to be lost sight of. It has determined the traditions of British politics. We see here the foundations of that Anglo-Russian double slavery of Europe, of which Marx used to speak. It is of profound historical significance if the World War, which portends the collapse of the English world domination, at the same time shatters Tsarism into fragments and so puts an end to the old double slavery.

Russia's relations with France were different from her relations with England. Here Russia's character of a continental Power was more conspicuous, and it was in the interests of France to use this rising Power as a means of crushing Germany, who was situated between the two. This, however, was not possible before the middle of the eighteenth century, and Russian diplomacy soon proved too independent to consent to be the tool of foreign interests. From Katherine II onwards it was the ruling principle of Russian politics, to look on while the European Powers tore each other to pieces, and then to reap due advantage for herself from their weakened condition. Poland,

which was rapidly approaching political dissolution, and the Roman Empire of the German nation, which was in the same condition, presented the best tools for such a policy. Further, the Seven Years' War had divided the whole of Europe into two hostile armed camps. Prussia was on terms of perpetual enmity with Austria and France, and France was at enmity with England. The time was approaching in which Russia was to control the destiny of Europe. By the Peace of Teschen, in 1779, Russia and France constituted themselves guarantors of the condition of Germany, that is to say, of German impotence and disintegration. By the partitions of Poland, the fate of Prussia and Austria became bound up with the fate of Russian Tsarism. The attempts of Frederick William II to free himself from the harsh yoke of Russia, to which Frederick the Great had been compelled to subject himself by the Treaty of Alliance of 1764, were frustrated by the outbreak of the French Revolution. Prussia and Austria were seduced by Katherine into opposing the Revolution, while she herself engaged in new marauding expeditions against Poland. The Polish insurrection of 1792–94 withdrew the Austro-Prussian forces from France, and by that means saved the Great Revolution, though only at the cost of its own life.

After Poland it was Germany's turn. The revolutionary wars, and the "new orientation"

of the Roman Empire which followed them, afforded Russia an opportunity to assert her right of protest acquired under the Peace of Teschen, and in collaboration with France to proceed to divide up the carcass of Germany. The *Reichsdeputationhauptschluss* of the year 1803, which decided the fate of Germany, was a German Imperial law drawn up by France and Russia in collaboration. But over the division of the spoil the two Powers came to blows. Germany fell not, like Poland, to the share of Russia, but to that of France. The Battle of Austerlitz, in which Russia fought against France, brought victory to the French Emperor, and with it the domination of the small German States.

The alliance with France which followed the Peace of Tilsit conferred Finland on Russia, and at the same time opened out prospects in regard to the partition of Turkey, and especially in regard to Moldavia and Wallachia, the Roumania of the present day. The price of this, however, was a breach with England and inclusion in the continental system. Russia could not pay the price for any length of time. The Treaties of Tilsit and Erfurt were broken, and the result was the entry of Napoleon into Moscow, to be followed, six months later, by the entry of Alexander into Paris. Tsarism stood at the height of its power. Turkey had been compelled to sacrifice Bessarabia; Sweden received Norway as compensation for the loss of

Finland, and was thereby chained to Russia; Poland fell to Russia; Prussia and even Austria became the satellites of Russia; the Bourbons owed their throne to the Tsar. Finally, the foundation of the Holy Alliance gave outward expression to the predominance of Russia.

The epoch of the German Bund afforded a convenient opportunity for Tsarism to continue its policy of stirring up strife between the European nations. It was not difficult to play off against one another the two rival Powers in Germany, and this led in the years of the German Revolution to the complete humiliation of Prussia by Austria. Above all, however, Russia was concerned to maintain a permanent feud between Germany and France. Already, at the Congress of Verona in 1822, the Tsar promised the left bank of the Rhine to the French Minister, Chateaubriand, and this was later expressly confirmed under Charles X. In 1829, France concluded an agreement with Russia, by which France was to have the left bank of the Rhine, and Russia was to have a free hand in Turkey. The July Revolution intervened and thwarted the plan.

A campaign of the Holy Alliance against France was in preparation, when the Polish insurrection broke out and, for the second time, saved a French revolution. But already in the year 1840 the craving of France to possess the left bank of the Rhine again became evident. Thus, as Friedrich

Engels briefly summarised the situation in his work *Savoy, Nice, and the Rhine*, published in 1859, the natural and traditional policy of Tsarism towards France was as follows: to promise France possession of the left bank of the Rhine, or even, should occasion arise, to help her to obtain it, in return for her sanction and support of Russian conquests on the Vistula and the Danube, and then to support Germany in reconquering the territory lost to France in return for her grateful recognition of Russia's conquests. Such a programme as this, Engels adds, can of course only be carried out in times of great historical crisis, and the present World War, in fact, furnishes a striking example of Engels' theory. According to the debates of June, 1917, in the French Chamber of Deputies, Russia, by an agreement, dated January 27, 1917, promised to France: (1) Alsace-Lorraine with the frontiers of 1790; (2) the Prussian Saar District; (3) as much of the left bank of the Rhine as France might desire, the remaining portions to be formed into some sort of a buffer state; (4) Syria. For herself, Russia, as we know, demands to have a free hand once more in Turkey, and, in particular, the promise of Constantinople, as well as guarantees in the region of the Danube and the Vistula. Seldom has a policy remained so unaffected, both in respect to its nature and its traditions, by all the events and changes of a century, as has been the case with the Russian policy. Engels' summary

completely fitted the situation at the beginning of the World War, and down to the overthrow of Tsarism.

The recovery of Alsace-Lorraine by Germany was, of course, remarkably useful to Tsarism in its old policy of stirring strife between Germany and France. On the other hand, the rise of Germany was so vigorous that even Tsarism began to be affected by its political consequences. Bismarck had always of necessity attached great importance to the maintenance of good relations with the Tsar; since without such relations his German policy would never have been possible. But now these relations themselves drove him to a breach with Russia. Just as, in 1866, Prussia engaged in war against Austria with the approval of France, but vexed and surprised the French Emperor by her all too rapid successes, so that the Franco-German War was the consequence; so Bismarck began the war of 1870 with the approval of Russia; but again his too rapid successes disappointed his protector at Petrograd, who had hoped for a long drawn out war, which would exhaust both opponents. And the final result was the estrangement of Prussia and Russia. The German Empire was no longer the Prussia of Olmütz, and the advance of the Tsar against Constantinople in 1878, as well as the Treaty of the Berlin Congress, drove Austria into the arms of Bismarck. This fact altered the whole situation. Russia was no

longer the umpire of Europe, enthroned above the various parties; she had herself become a party, and had taken up her position by the side of France. The foundations were laid of the great alliance policy, with the Dual Alliance on the one hand and the Triple Alliance on the other. Europe was even more profoundly divided than after the Seven Years' War.

This international situation was, in itself, favourable to Tsarism, but in the meantime, serious changes had taken place in Russia herself, which began to hamper the continuance of her old policy. Not only Western Capitalism, but with it Western ideas and demands had found their way into Holy Russia, and the dissolution of the old economic conditions had begun. The Crimean War had already dealt a mortal blow to the old system, and the abolition of serfdom which followed it signified the mobilisation of that dull, patient multitude of peasants, whose unquestioning obedience had always been the foundation of the Tsaristic policy. It goes without saying that Tsarism recognised very clearly the extent to which it was jeopardised by the industrialisation of the country. But it had no choice, for industry yielded increasing revenues, and helped to secure the conditions without which Tsarism could not continue its policy. It was compelled to lay the axe at the roots of its own power, to break up the old rural communistic societies, and to allow the masses now uprooted

from their rural working conditions either to remain on the land in a state of starvation and discontent, or else to be converted into revolutionary factory hands in the rising large towns.

But therewith Tsarism lost the free hand and the tranquil continuity which had hitherto characterised its foreign policy. It could no longer peacefully await the fruits of its underground labours and the stirring-up of international strife, but was compelled to intervene and itself wage war, according as the situation at home allowed or demanded. Frequently this situation compelled it to come to a standstill half-way: for instance, in the war in East Asia, when the revolution made the continuance of the war impossible; frequently also this situation compelled it to resort prematurely to the traditional policy of attack, and to engage in war at a time when the situation abroad was not yet ripe for it. This was the situation at the outbreak of the World War.

Thereby the bankruptcy of the old system became notorious. It was sought to conceal the deficiencies at home by means of wars of conquest; but, as a matter of fact, wars of conquest were the surest means of revealing these deficiencies at home. This time Tsarism was not merely brought to a halt half-way; it collapsed altogether. The triumph of the revolution of March, 1917, has put an end to the old Tsarism.

For Russia this means the close of a period of

development extending over more than two centuries. The certainty that this time it was a question of something other than the events of the year 1905, when Tsarism, after a brief collapse, was once more reinstated, arose from the difference between the situation then and the situation to-day. In 1905 it was a question of a revolutionary rising of the Russian people, but one confined within the national frontiers. Tsarism was backed up by almost the whole strength of international capital, for which the Tsar acted as confidential agent and guarantee. But the present revolution is being enacted on the widest international foundation; it is a world-revolution; the reactionary governments are everywhere on the point of collapsing, and even the capital of the counter-revolution in England and America has not hitherto ventured to work for the restoration of the old system, but only for the utilisation of Russia's fighting strength for its private purposes.

It very soon became evident that a revolutionary Russia was no longer either able or willing to fill the place in the Entente which had been hitherto filled by Tsarism. Involuntarily, the Russian revolution furnished a striking proof that the war, as pursued by the Entente, was to have been wholly reactionary in character and inspired solely by the desire for unscrupulous pillage, while, at the same time, it revealed the revolutionary character with which the course of events had invested the war.

The revolution tore up the annexationist war aims, which Tsarism had prescribed for Russia at the beginning of the war, and thereby proved how justly Friedrich Engels had prophesied when he wrote: "Russian diplomatists view with horror the approach of the day when the Russian people will have something to say, and when the business of settling their own internal affairs will leave them neither time nor inclination to concern themselves with such trifles as the conquest of Constantinople, India, and world supremacy." But, in reality, the renunciation of aims of conquest meant that the solidarity of the Entente land-partitioning syndicate was broken up; for with Russia's watchword of "No annexations!" England was as much at a loss as France or Italy. All these countries were bent upon conquests by which the *status quo*—that is to say, the predominance of the Western Powers—should be maintained and intensified. In other words, the Western Powers, though fighting ostensibly for "freedom" and "civilisation," could not do business with a Russia freed from Tsarism. Nowhere was the news of the victory of the revolution received with greater consternation than in the classic home of revolution, Republican France.

The Russian revolution is such a tremendous fact that already, though it is only at the first stage of a development that will probably be continued over some decades, it has produced

very far-reaching effects on the structure of Central Europe. It is, of course, impossible at the present day, when everything is in the melting-pot, and when other and only too intelligible motives are at work, to give a complete account of these. In the first place, the democratic revolution in Russia affects the foundations of the Austrian State; for the latter, the year 1917 marks the dawn of its greatest and most dangerous crisis. After the extinction of the Turkish menace towards the end of the seventeenth century, the right of the Austrian monarchy to exist was based on its resistance to Russian Tsarism. To be sure, the resistance which Austria opposed to the advance of Tsarism against Constantinople had always been stubborn rather than daring. But none the less, this monarchy, compounded as it was of such various elements, did thereby render a great service to Europe. It preserved the Continent from the Russian danger, for Russia in Constantinople was equivalent to Russian world supremacy. Certainly, this stubborn opposition of Austria to Russia in the Near East resulted in practice in the effectual maintenance of the intolerable situation in the Balkans. This situation involved much suffering for the Balkan nations and the obstruction of their national and economic development; and, therefore, it was an easy task for Russia, by supporting the liberation of these nations from the Turkish yoke in the nineteenth century, to make

herself popular among them as the ostensible defender of their autonomy. By her occupation of Bosnia in the year 1878, Austria had made herself the deadly enemy of all the Serbian Southern Slav aspirations for unification. For Austria herself it has become more and more evident that the war is the decisive struggle for the existence of the State. Now it goes without saying that the Austria-Hungary of the future can only prove itself equal to the new conditions by means of a completely new orientation in the direction of democracy and national autonomy. The attitude of the Czechs furnishes very striking and unmistakable testimony in this connection. Large sections of the Slav population of Austria had already, in the days of Tsarism, made no secret of their sympathy for Russia. The Russian revolution will strengthen these sympathies still further, and thereby entail serious dangers for the old State. The bond of union which had hitherto held together this motley collection of nations has been loosened by the overthrow of Tsarism and by the disappearance of the terror and aversion which Tsarism had inspired. As a result of the necessary renunciation by the Russian democracy of Russia's former cravings for Constantinople, world supremacy, and other such trifles, the existence of Austria has ceased to be a necessity for Europe in the sense in which it had been hitherto. This is the new situation. What consequences will ensue

from it we cannot as yet foresee. There is no need to insist that they do not by any means require the dissolution of the Austro-Hungarian monarchy. The permanent foundations of the unity which the monarchy has preserved hitherto consist in the geographical features of the country, and these foundations cannot be overthrown. For the German Empire, a strong Danube Monarchy and a firm alliance with it are the corner-stone of her world position. But also for the Slav nationalities comprised in the Danube Monarchy, the maintenance of the State is in their true interests. What has to be done is to make them understand that it is in their interests, and thereby gain their active co-operation in the development of the Empire. This involves the abolition of the whole existing system, and in particular of the administrative system. And this both in Austria and Hungary. That domination by the small aristocratic upper class under which all non-Magyar sections of the population of Hungary, as well as the bulk of the Magyar population, were strictly excluded from any participation in the work of the State, has now come to an end. *But a democratisation of Hungary alters at one blow the conditions of existence of the Dual Empire.* By its means, a very serious obstacle to the economic development of Austria-Hungary, and to the establishment of her position in world politics, will be rolled away. The great bulk of the Hungarian people proper

have no interest whatever in the retention of the sharp line of division between Hungary and Austria, which was such a marked feature of the policy of the Hungarian nobility. With the disappearance of aristocratic rule in Hungary, this policy will likewise disappear. We know how fatally the agrarian policy of the Hungarian aristocracy influenced the Balkan policy of Austria-Hungary; and the phrase coined by Lueger, the one-time leader of the Christian Socialist party: "The Magyars are the bolt which closes the orient to Austria; that bolt must be shattered," will find its fulfilment by means of the democratisation of Hungary. It was because he opposed the introduction of universal and equal suffrage that Tisza had to go.

It is certain that, for Austria-Hungary in particular, the coming decades will be fraught with far-reaching social, national, and political transformations. The future of the world's history which, as we have already seen, is at length penetrating to the territories of the south-east, may and must, here as everywhere, abolish much that is out-of-date; but this crisis will not involve a serious menace to the vitality of the Austro-Hungarian State. On the contrary! As a result of the war, the complex of nationalities which forms the Danube-State has lost its old historic mission, but at the same time it has found a new mission. *The old mission was to defend western*

culture against eastern barbarism, and it was only able to fulfil this mission because it was still itself a strange hybrid of western culture and eastern barbarism; the new mission is to ensure that now, after the East shall have ceased to be the seat of barbarism, its nationalities shall enjoy complete union with western culture. In fact, the collapse of the old Sultanism through the victory of the Turkish revolution marked an epoch in the history of Austria, just as much as the collapse of Tsarism through the victory of the Russian revolution. Turkey is already an ally of Austria-Hungary; and the new Russia may be her ally also in the not very distant future. For an understanding with Russia is just as much in accordance with Austrian policy as it is in accordance with German policy. The political face of Austria-Hungary is turned not towards the east and the Russian plains, but towards the south-east, towards the Balkans. The project of the Sandschak Railway, which aimed at the economic development of the western Balkans and the inclusion of Greece in the Central European economic and traffic system, already before the war indicated the direction of the natural line of development, which did not involve any policy of conquest. But on this path Austria-Hungary was opposed by her real enemy, England—little Italy stood only in the second place—who established herself in Salonica, transformed Greece into a satrapy of the Entente, and thus

sought to cut off the Danube State from the necessaries of its existence. *It is this common threat offered to them from England that makes the unity of Austria-Hungary and Germany in the future a vital necessity.* The notion that Germany's enemy was England, and that Austria-Hungary's enemy was Russia, was only calculated to weaken the solidarity of the two Central Powers, and it has been finally disposed of by the overthrow of Tsarism. Both Powers have the same enemy, and it is in the interests of both to work for an understanding with the Eastern Power.

But if the new mission of Austria-Hungary consists in securing the complete union of all her nationalities with western civilisation, this result can, of course, only be attained by means of the political emancipation of these nationalities. For the effecting of this emancipation, quite other possibilities present themselves to the Austrian nationalities as component parts of a Great Power than if they were small agricultural states. Capitalism, with its nationalising power, develops so much the more effectively, according to the extent of the field over which it can operate. It is an inveterate enemy of the small business, even in politics. This should, above all, be clearly recognised by the Czechs, whose economic and national rise has been going on for decades. Thus, the more energetically Capitalism asserts its hold upon the territories on both sides of the Leitha, the more firmly will

Austria-Hungary be established as a Great Power, and the more proof against the fate of disruption which had been marked out for her. This economic development must be supported by a policy, which shall abolish that tutelage of the Slav nationalities of Austria by their German compatriots, and shall allow them an active participation in the maintenance and advancement of the monarchy. This presupposes a thorough democratisation of the whole public life of the country and of the hitherto autocratic form of Government, that is to say, a reform of the whole body politic from the head downwards.

For the Balkan nations the downfall of Tsarism, their ostensible liberator, signifies the beginning of their true liberation. By the Russian revolution, which brought to an end the machinations and counter-machinations of Russia and Austria in the Balkans, as well as by the previous overthrow of Turkey's domination over the rest of the Balkan nationalities, that economic stagnation, which made the Balkans the Wild West of Europe and the perpetual breeding ground of new dangers of war and finally of the World War itself, was also brought to an end. Only by this means has it been made possible for the Balkan nations to develop their economic strength, and thereby to establish a solid foundation for their national aspirations. How far this future will be disturbed by England, who, by her intervention in Greece,

has once again proved how faithfully she clings to her traditional policy of converting whole nations into her proletarians, cannot yet be foretold.

It is possible even now, however, to recognise very distinctly what will be the general situation in the Balkans after the war. Bulgaria, the strongest and most united state, will assume the leadership. Her interests will lead her to oppose energetically any aspirations of Russia directed against Constantinople, and, at the same time, for the purpose of consolidating her position, to seek union with the Central Powers.

For Germany the downfall of Tsarism will have simply epoch-making consequences. In the first place it will weaken all those reactionary forces at home, which had felt themselves the more secure in Prussia, according as autocracy seemed safely enthroned in Russia. With it, too, collapses the traditional Bismarckian dogma, according to which the states were classified as Conservative or Liberal, Monarchic or Republican; and the Conservative Powers were massed against the Liberal and Republican Powers. Bismarck knew that the bulk of the German people were entirely out of sympathy with his Russian policy. It was a purely dynastic policy, and came into more and more obvious contradiction with the historical development which drove Russia into the arms of France, and Germany into the arms of Austria. The Russian policy engendered the Polish policy, the fatal consequences

of which it is superfluous to emphasise. *The overthrow of Tsarism in Russia must be followed by the overthrow of Junker domination and the three-class suffrage in Prussia; and, in the Empire, by the collapse of the anti-parliamentary system.* This development, however, will be dealt with later.

The revolutionary rôle of Germany in the World War had fundamentally altered her relation to Tsarism from the date of its outbreak. If Germany did not succumb forthwith before the terrific numerical superiority of her enemies, it was inevitable that the weapons which she wielded against Russia should exercise a revolutionary influence there, and in fact *the Russian revolution is an offspring of the German victories.* It is equally in the interests of Germany and of Russia to lay the utmost stress upon this connection of events, and to draw the correct deductions from it. A victory of the Entente, that is to say, of the professed champions of freedom, would have meant for the Russian nation a prolongation of their slavery and a strengthening of the Tsaristic system. The interest which Germany was bound to have in the triumph of the Russian revolution, and, on the other hand, the interest of the Entente in preventing such a triumph, exhibited very clearly on which side lay historical progress. Only a Russia bent on annexation and aggression, that is to say, only a Tsaristic Russia, could meet the requirements of the Entente; and when, at the opening of the year

1917, it became evident that once again, as in the war in Eastern Asia, complications at home might compel Tsarism to halt half-way and try to make peace, the English *chargé d'affaires* entered into an alliance with the heads of the Russian imperialistic bourgeoisie, with a view to holding the Tsar to his war policy. But out of the *coup d'état* planned by the bourgeoisie sprang the revolution of the working classes, and thus the opposite of what England had aimed at.

And now it became evident how false and deceptive was the façade with which Tsarism had adorned the Russian house. All in a moment, as it seemed, the imposing unity of a nation numbering 175,000,000 gave place to a medley of innumerable nations and races; republics sprang up out of the soil; the countless masses of alien race either demanded autonomy or even, as in the case of the Ukraine and Finland, proclaimed their independence. The destruction of the Tsaristic system had automatically put an end to the Tsaristic war policy, and peace was now the programme of Russian policy. The more the Russian nation itself got a hearing, and the more it took its affairs into its own hands, the more marked became its antagonism to the aims and policy of the Entente. Russian freedom found its enemy not in Germany, but in England, who remained true to her historic reactionary rôle, and turned to account the liberation of the Russians as a fine opportunity for financial and

imperialistic marauding ventures, just as she had done in the case of the great French struggle for freedom at the time of the Great Revolution. At that time the revolutionary French were England's enemies, and they paid for their freedom by the loss of almost the whole of their vast colonial possessions. To-day the revolutionary Russians are still England's friends, but she has inflicted on them an even more serious spoliation. Russia has suffered the most abominable enslavement and political tutelage at the hands of the despot of the world market. It seemed as if the Russian nation had only freed itself from Russian Tsarism in order to fall victim to English Tsarism; and in fact the revolutionary spokesmen of Russia came forward as advocates on behalf of the English Tsarism. The fact that the Russian nation had renounced its own aims of conquest did not prevent its being driven to the shambles on behalf of foreign aims of conquest. Further, the threatened invasion of Siberia by a Japanese army, as well as the possible blockade of those of her ports which were still open in East Asia and on the Murman coast, made it far from easy for revolutionary Russia to escape from the clutches of her allies.

But the more evident it became that the war that Germany was waging was still what it had always been — a defensive war, and the more plainly this fact was emphasised by the Reichstag and the Government, so much the more incon-

sistent did the rôle which Russia was playing in collaboration with the Entente appear to Russian patriots. Russia was not, like England or France, a country of old civilisation and old wealth; her development was not, as in the case of France and England, in a stage of decline. She was a young and rising barbarian state; and for that reason she stood to some extent in historical antagonism to the two Powers above-mentioned. And just because this was the case, it was entirely in England's interests to cripple her future rival while there was yet time. Nothing could better serve this end than to apply lever and screw in order to hoist on to its feet again this already shattered military state, and to drain it of its last vestige of strength. The more completely Russia was exhausted, the better for England. This was, moreover, all the more necessary since Russia, by the overthrow of Tsarism, had abolished one of the main obstacles in the path of her economic development, and hence it was dangerous to delay. In respect to the clamour that was artificially raised about the "separate peace" which it was said to have offered to Russia, the German Government was perhaps not wholly free from blame, since it did not endorse the Russian watchword "No annexations!" with sufficient finality and promptitude. And a portion of the German Press already began to rub its hands with satisfaction at the thought of the disruption of the vast empire. But the real reason for the fact

that the idea of a separate peace could be mooted—even if only in the shape of its indignant repudiation at Petrograd—was to be sought in the actual circumstances of the case. The chimera of the Russian separate peace was only a reflection of the very real Russian separate interest. In fact, revolutionary Russia had not, like England, an interest in the economic and political destruction of Germany, but rather in the maintenance of her prosperity and her economic strength. If England realised her ambitions in regard to Germany, then Russia would be delivered bound into her hands. For the restoration of her trade, the organisation of the State, and the reconstruction of her army and navy, Russia would then be entirely dependent on England and America. Resistance to the Anglo-Saxon dictatorship would be absolutely impossible, and it would be difficult for Russia to prevent the "leasing" of her ports or the disruption of her territory by the encouragement of those of her alien nationalities who aspired to autonomy or complete independence. To crown all, England, as controller of the affairs of the world, would contrive that Russia should always feel the prick of two spurs in her flanks—on the east Japan, and on the west Germany, who when once she had been sufficiently enfeebled and rendered innocuous to England's interests, might still serve as a weapon against Russia in case of the latter proving recalcitrant. In order thoroughly to poison Russo-German relations,

England, after a defeat of Germany, would promptly force upon the latter a piece of Russian territory of vital importance to Russia, and proclaim this to be a cultural barrier against Russian barbarism. When once German militarism had been enrolled in the service of English interests, then even in England it would be pronounced a perfectly delightful institution. Had not the "free" Boers been converted into English serfs?

Nevertheless, things have a logic of their own, even if it is lacking in men, and solidarity of interest between the Germany of the World-Revolution and revolutionary Russia must and will, in spite of England's despotism, become more and more firmly established. It was very significant that the Russian Press was entirely hostile to the resolutions of the Paris Economic Conference. In the years immediately preceding the war, Russia derived on an average almost 44 per cent. of her total imports from Germany, and supplied almost 40 per cent. of her exports to Germany. The German Empire, on its side, derived 15 per cent. of its imports from Russia—about £75,000,000—and delivered 12 per cent. of her exports to Russia. The Entente Powers lagged far in the rear. But, as regards the future also, Russian interests coincide with German interests and diverge from those of the Entente. Even with the close economic alliance which Germany will seek with Austria-Hungary and the Balkans, it none the less goes with-

out saying that these regions would not anything like suffice for the productive force of the German economic domain. Germany is just as much dependent on Russia for agrarian products and raw materials as Russia is dependent on Germany for manufactured articles. For the great mass of the agricultural products which Russia supplied to Germany before the war, she would find no customer among the Entente Powers, because the latter—for instance, the United States, Canada, Australia, and India—for the most part themselves export agricultural products. And the fairly certain adoption by England of Protection and the commercial and political unification of the English World Empire would strengthen still further the tendencies to exclusion and autarchy. Thus economic interests tend to separate Russia more and more from the Entente, and to bring her closer to Germany. This fact is thoroughly realised by the English and Americans, and it is for this very reason that they are taking advantage of the war, and of the critical condition of Russia, to obtain for themselves a firm economic footing in that country, to obtain from her pledges, concessions, and guarantees of every description, and to endeavour as far as possible to convert the bondage of economic indebtedness, into which Tsarism had driven the country by unchaining the war, into a political bondage. Even a revolutionary country which is in revolt against Capitalism, so they say

to themselves, cannot dispense with capital; and, therefore, the price which the Russians had to pay for their summer loan in America was, as the London *Morning Post* and the *Washington Post* triumphantly proclaimed, an express pledge to an offensive, which, in fact, was punctually started in July. Thereby Anglo-Saxon Capitalism did, indeed, surpass itself, and, as it was declared in the naïve, communistic manifesto, converted into its hired labourers not only the doctor, the lawyer, the parson, the poet, and the scientist, but even the Social Revolutionary.

But matters were not really quite so simple as this, as was already apparent from the fact that even Social Revolutionaries whose sincere desire for peace and personal integrity was as unquestionable as their knowledge of the Entente plans, originally, so it appeared, agreed to the offensive. In their eyes, the interests of the Entente coincided temporarily with the tactical interests of the Revolution. People in Russia were, of course, acquainted with the diatribes in favour of separation of a certain section of the German Press, who commented upon every utterance of the Government in such a way that the Russian revolutionaries could only regard Germany's readiness for peace as an offer of a separate peace; and this they conceived was a suggestion that they should commit an act of treachery. Moreover, the numerous and persistent affirmations of this same German

Press concerning the complete "collapse" of Russia, her total "dissolution," ruin and "disruption," could not but be felt as so many wounds and insults to Russia's national and revolutionary self-esteem. It was a question of furnishing proof that Russia was neither guilty of treachery, nor yet tottering to her ruin. In the real or alleged separate peace policy of the German Government, these Russian revolutionaries perceived an inheritance from the last days of Tsarism, and they could conceive no more effective means of opposing it than by a Russian separate war policy. An offensive, yes, but under their own conduct and control and simultaneous with an energetic continuance of the peace policy upon unaltered lines—this was the programme of those Russian Socialists who agreed to the offensive. Thereby they thought to give greater weight to the word of Russian Democracy in the circles of the Entente Powers, and, at the same time, by means of the offensive, to frustrate any political menace from the German nation.

As a matter of fact, the sole outcome of the Russian offensive was the collapse of the Russian armed force in Galicia, and, in consequence of this collapse, a most dangerous crisis in revolutionary Russia.

It must, however, be admitted that the above-mentioned reasoning, however mistaken and dangerous it may have proved to be both for Russia

and the revolution, none the less testified to a strong sense of Russia's independence, as well as a certain conviction that the interests of Russia and England in Central Europe would never again coincide. *But this was bound to lead to the clear recognition that Russia and Germany are dependent upon one another in regard to their economic development after the war; and, therefore, that they must come to an understanding.* Already in my study, *German Social Democracy and the World War*, written at the end of the year 1914, I dwelt on the fact that the disruption of Russia into a host of small, politically independent but barely self-supporting national states, was by no means in the interests of Germany. Her interest required only the overthrow of Tsarism and the economic development of the country. Now that Tsarism is a thing of the past, the Russian problem, in so far as it concerns Central Europe, assumes a wholly altered and certainly far less menacing aspect. It becomes evident that Russia is a magnified Austria, in which nations and nationalities are jumbled together in the most variegated confusion, a fact which, as we know, has again and again awakened doubts concerning the vitality of the old Imperial State. Even if the mixture of nationalities in Russia is not nearly so complex as it is in the Danube State, whose component nationalities do not merely live side by side, but are jumbled up higgledy-piggledy, it will probably none the less give rise

to a number of extremely complex questions, which will present themselves for solution by the rising State; and with every advance of Russia's economic development these questions will become more and more difficult of solution. The dawning of a political self-consciousness in nationalities which have had no previous independent national history, that remarkable process which has been going on in the last half-century in the south-east of Europe among the Slovenes and Ruthenes, the Serbs and Czechs, the Slovaks and Roumanians, is an invariable concomitant of Capitalism. The absorption of such nationalities by a ruling race was only possible in pre-capitalistic times, and even then it was no easy matter. As Capitalism has been revealed more and more unmistakably as the international mode of production of the world, a saviour has arisen for those oppressed and slumbering nationalities. This has been demonstrated very clearly in the last half-century in the case of the alien races in Russia, and it will be demonstrated even more plainly in the future; but it will increase still further the internal difficulties which the population of Russia will have to grapple with after the downfall of Tsarism. To the class antagonisms will be added the racial antagonisms, and, *as soon as the great mass of the nation—the peasants—are torn from the solitude of the villages which form their world, and brought on to the great stage, life in Russia will become so vigorous, but at*

the same time so teeming with difficulties, as to leave no room for dreams of world supremacy. But it will be wholly in the interests of Russia's alien nationalities, who are clamouring for national autonomy, to preserve the great Russian State, and not to shatter it into fragments. It will be equally in the interests of Germany; for a disintegration of the vast empire into a coagulated mass of independent small states *would only benefit England*, whose agents are already active in this direction; and in fact, if the Baltic coast or the basin of the Black Sea were to be bordered by independent small states, England would have a splendid opportunity of playing her famous political rôle of "defender of the small nations." The enfeeblement of Russia's power would result in the strengthening of England's power. England would be quit of her rival in Asia. Here, again, the interests of England and Russia come into collision, while the interests of Russia and Germany coincide. Russia is at present developing into a capitalistic state, as much as any other country; now, as ever, she will be not easily accessible to attack by an enemy, but at the same time will herself be comparatively weak in attack. A peaceable Germany could hardly wish for a better neighbour.

Here there open out perspectives of the world political effects of the Russian revolution, which have not revealed themselves hitherto, but which are closely connected with the last arguments.

As a result of the World War, Russia has at length found definite frontiers, a fact the immense significance of which can only be grasped by considering the manner in which the lack of definite frontiers influenced Russia's craving for conquests. General Kuropatkin, the vanquished hero of the Russo-Japanese War, once described war as the normal condition of Russia. As Count York von Wartenburg once expressed it, Russia is always on the hunt for a frontier. But each new conquest only engendered new cravings. So long as Russia did not encounter a really redoubtable opponent, capable of imposing a halt on her advance by dint of superior force of arms, each conquest was only the pretext for a further conquest. And Russia was surrounded on all sides by weak or small states, which she was able to annex to herself without much trouble. The Russo-Japanese War of 1904 was, in fact, the first war in which Russia met with an adversary who successfully opposed her craving for conquests. She was compelled to renounce her intended conquests in China, and to conclude a treaty with Japan, which, for the first time, established a definite frontier. Here, then, in the extreme East, a limit was actually fixed. Russia's craving for conquests was directed once more to the West. Here she was allured by old ambitions, above all, Constantinople. And here, too, she did not expect to encounter any redoubtable antagonist. It is well known how easily Russia expected

to overthrow Austria-Hungary, not to mention Turkey. In the Balkans, the ground had been pretty well prepared beforehand, and trustworthy agents were at work in Serbia, Montenegro, and Roumania. Here again, then, Russia gave free rein to her craving for conquests only because she was convinced that she would encounter none but weak opponents. The World War has proved that in this case Petrograd made a serious miscalculation. Now that the forces of the German Empire were engaged, even the western frontier, for the first time in Russian history, proved impregnable. Austria, the Balkans and Turkey, which Russia had reckoned upon overcoming without any difficulty, displayed unexpected powers, and repelled all Russia's attempts at conquest. Nay, more! In the severance of the kingdom of Poland, Russia, who has hitherto been accustomed only to annex, has experienced for the first time a loss of territory. If, by the conclusion of peace and in the decade following the war, an intimate connection is established between the Central Powers who have been allies during the war, so that the power of military resistance to Russia is not diminished, then Russia will have acquired in the west also her "fixed frontier," beyond which she will no longer be able to trespass. Thereby her feverish craving for conquest, which has already been checked by the resistance of Japan in the Far East, would now have a limit—or rather the limit—set to it in the

Near East also. The objectives which would then lie open to Russia's craving for conquests—the borders of China and possibly a few territories in Central Asia—even if Russia, as would be by no means certain, were to succeed in annexing them, would not be such as seriously to jeopardise the world's peace.

But therewith Russia has reached a stage of her development at which she is compelled to reverse her whole policy, both her home and her foreign policy. She has been thrown back on herself, and this will prove all to her advantage. It is thus of deep historic significance that, at the same moment when Russia acquired fixed frontiers and thereby the period of foreign conquests was closed and that of internal reconstruction began, Tsarism—the historic representative of the old policy of conquest and the opponent of future internal consolidation —was also shattered into fragments.

The stage which Russia has thereby reached is, perhaps, to be compared with the adoption by a nomad race of fixed dwellings and agricultural pursuits. The opportunities for haphazard vagrancy have gradually disappeared. A settled nation is much less dangerous to its neighbours than a wandering nation, which recognises no fixed frontiers and is constantly extending its grasp beyond its old domain. Thus this new stage of Russian development relieves us of a serious cause of anxiety in the East. It means the disappear-

ance of a very powerful factor of world political unrest and danger for Russia's neighbours and for the world.

But therewith the prospects of preserving peace which present themselves to German policy are entirely altered. Even the Polish question, which already, by the German victories, had become part of the order of the day for Europe, acquires an entirely new aspect as a result of this development and of the victory of the Russian revolution. The erection of an independent Poland is ensured. But this will react on Germany and Austria—that is to say, on the other Powers concerned in the partition. The collapse of Tsarism brought about automatically the collapse of that "Old Prussia," as conceived by Prussian Junkerdom and as typified in the Prussian three-class suffrage. One of the most evil legacies of the Old Prussia was the treatment of the Polish question. A drastic settlement of the Prussian Polish policy is a necessary result of the victory of the Russian revolution; and it will free us from a serious embarrassment, which had hitherto hampered all our foreign relationships. We know that the Prussian suffrage and the Prussian Polish policy were always used as a target, if it were a question of bringing Prussian conditions into discredit. The Prussian "colonialists," however, will perceive very soon, and very unmistakably, that the fact that their Tsaristic comrades on the other side of the frontier

can no longer play their part makes an immense difference. Now at length there will be opportunity for establishing entirely new relations, and therewith in a not too remote, even if a not very near, future—for the sins of the fathers are visited even upon the third and the fourth generations—the condition of latent civil war will disappear from our eastern frontier. A democratic Germany, such as will result from the World-Revolution, will have quite other means of settling the Polish question than the Old Prussian magisterial state, whose Polish policy above all contributed to make the Tsar the arbiter of Europe and Prussia a tool of Tsarism!

This deliverance from the terrible menace which hung over our eastern frontier as long as Tsarism was supreme, may be compared with the similar phenomenon on our western frontier described in the chapter on France. As far as we can see at present, the war will relieve the Central European States of the serious danger which has threatened them on both sides, and this not by any shifting forward of their frontiers, but by the automatic effects of the war. To be sure, if the effects are the same, the causes are entirely different. We shall be delivered from the political pressure on our western frontier owing to the decline of our neighbour State; on the eastern frontier the same result will be owing to the rise of a neighbour State; for Russia is a rising country: the misery

and financial ruin caused by the war will not permanently alter this fact. It is clear, then, that it would not be correct to describe it as a restoration of the former situation, if Germany keeps her old frontiers after the war. *There can be no restoration of the former situation*, and we might reverse the familiar saying, "The more it alters, the more it remains the same," and say, "The more it remains the same, the more it has altered." *A Germany with its old frontiers would, after the war, occupy a very different position in Europe and the world from that which it occupied before the war.* This furnishes a very clear indication of the policy which Germany has to pursue.

Let us consider now what has been happening to Germany in the years of the Revolution.

CHAPTER VII

GERMANY: THE BULWARK OF FREEDOM

A NATION so manifestly united as Germany showed herself on the 4th of August, 1914, is without precedent in German history. Even 1870 furnishes nothing comparable, since at that time, in the South German assemblies, especially in the Bavarian Chamber—not to speak of the secret aspirations and plans of certain Hessian Ministers—particularism was still very strong, and, moreover, Austria stood aside. Still less, of course, 1813, since the insurrection in the spring of that year was confined to the population of four Old Prussian provinces. The other sections of the German nation were under foreign domination, and for a long time continued to fight on the side of the French Emperor against their own people. The still more remote centuries do not of course furnish any example of unity among the German peoples. Germans were constantly at war with Germans, or, at any rate, large sections of the nation held back from and remained indifferent to the most fateful contests.

Thus the 4th of August, 1914, presented a phenomenon without parallel in the whole past history of

Germany. The fact that the two western nations arrived so much earlier at national unity is to be ascribed not only to geographical and historical reasons, but also to the fact that the German central nation far excelled them both in extent of territory and in size of population. It was the very fact that the Roman Empire of the German nation was far too huge in extent for a feudal State that was one of the principal causes why that Empire fell to pieces in an epoch of defective means of communication and defeetive financial administration. No sooner, however, had this epoch drawn to its final close even in Germany—that is to say, from the middle of the eighteenth century onwards—than the one-time disadvantages were turned into so many advantages. Disintegration was converted into integration. That vastness of territory which had hitherto been prejudicial now became a valuable aid to economic progress, and, in fact, soon proved itself too narrow a field for the full operation of the economic productive powers. And what we see to-day is merely the consequence of this historical development, namely, the unification of that essentially German Central Europe into a single economic domain, a development which fills our enemies with horror and which furnishes the material foundation for the fantastic talk about "German world domination."

In fact, in the course of the centuries during

which the old German Empire had been in process of decomposition, the ruling nations of Western Europe had almost forgotten that there was such a thing as a German nation, and that this German nation constitutes the original stock of Central Europe. They could not see the wood for the trees—that is to say, they could not see the Germans for all the Prussians, Bavarians, Austrians, and Hessians—so that, even at the present day, in the best English society, you may hear it asked whether the Austrian language is as difficult as the German language is said to be. In any case, up to the present day, the English Government has not been able to accustom itself to the existence of a German nation, and its spokesmen prefer to speak of the German "nations." This has much the same sound as "Balkan nations," and, in fact, according to English views, the difference is not very great.

In this war England has come up against the German *bloc*. The permanent international alliance between the German Empire and Austria-Hungary will establish in Central Europe an unitary power-group of 130,000,000 men, among whom war will in future be impossible. Already in 1866, Prussia, the greatest of all the North German States had 18,000,000 inhabitants when it engaged in war against Austria. One can imagine how such a change in the situation will complicate the policy of the professional "protector of small

nations" on the Thames. England sees her whole system of European "balance of power" collapsing before her eyes. At the beginning of the war, Sir Edward Grey condescended to assure the departing German Ambassador that a day would come when Germany would thank England for having come into the war; because England would protect the threatened Central Empire from annihilation by Russia. In the course of the war, however, it has been made evident that there was no such need for "protection." And in place of condescension and the silent hope that she had found in Germany, when once the latter had been properly humbled, the "strong but stupid fellow" who was needed for the future in order to fight England's battles against Russia, England has now, in the course of the war, become filled with terror—mortal, unmitigated, and ill-disguised terror—at this incredible nation against whom mountains and whole chains of mountains can be hurled, and still it does not collapse. The clamour for the abolition of Prussian "militarism" is only an expression of the gnawing anxiety lest the foundation of England's world position should be undermined by the organisation of Central Europe. England had imagined that the war would put a stop to the rise of Germany for an indefinite time; and now she realised, to her horror, that, on the contrary, quite new possibilities were opening out for the continuation of that rise.

That region which only a few decades ago had been traditionally impotent, had been transformed by means of the war into a single-power *bloc* of at least 130,000,000 inhabitants, with which the smaller surrounding nations might very soon, in virtue of the law of attraction, enter into an economic alliance! And this Central Europe, welded together by Germany's organising capacity, enriched by Germany's economic power, leavened with German science: England's head began to reel at such a prospect. It must never be allowed. The more plainly Britain perceived herself to be confronted with such a possibility, the more clearly did she recognise that *if England did not win the victory in this war, then she would be conquered, and that if Germany were not conquered, then Germany would have won the victory.* A Germany which should not be completely beaten and maimed, a Germany which should not have collapsed helpless at the feet of England, was and remained in the eyes of Britain an immense danger. An unconquered Germany would be the organiser of Central Europe! Hence it was necessary that all Germany's peace proposals should be rejected: and rejected in the most contemptuous and insulting fashion, in order to prevent any future repetition of such inconvenient proposals. But this "unswerving will to war" on the part of Britain was indicative not of any sense of power, but rather the reverse—of a feeling of uneasiness,

of perplexity, of alarm; and the longer the war lasted, the more coarse and blatant became the language of the English statesmen, from Churchill, Asquith and Kitchener, down to Lloyd George and Carson. Already for a long time the best elements in English society had been ashamed of the mob party which ruled the country; and which, in fact, by means of politicians like Asquith and Lloyd George (who, as a man like Ferdinand Tönnies said, could not be allowed to rank as men of education), was highly fitted to compromise seriously the good name of England.

Just as the brutal rejection of every peace offer was significant of the comparative weakness of the Entente, so, inversely, the repeated appeal to end the war was a sign of the comparative strength of the Central Powers. In fact, a peace without conquests held quite a different meaning for the Central Powers from that which it held for England and her attendant States. The collapse of Russia and the downfall of France, which had been sealed by the World War, once and for all, and to the advantage of the Central Powers, made an end of that political see-saw system known as "the balance of power" which is so popular in London. Russia had to all intents and purposes been compelled to abandon her traditional rôle of arbitrator of the Continent after the Franco-German War. None the less, the secret treaty of January 27, 1917, in which France was promised by the Tsar

the whole left bank of the Rhine, had proved clearly that the traditional practice of stirring up strife between Germany and France was still a conspicuous element in Tsaristic policy. When England, under the pressure of the rise of Germany, was compelled at the beginning of the present century to emerge from her state of "splendid isolation," she utilised the Dual Alliance as an instrument of her encirclement policy, after having first prescribed for Tsarism, which was still too independent to submit without demur to the requirements of English policy, the salutary and exhausting cure of the Russo-Japanese War; and it was not, of course, her fault if the after-cure, in the form of the Revolution of 1905, affected the patient more seriously than had been anticipated and than was in the interests of England. From this time England herself continued the traditions of Russian policy by constantly kindling anew in the French nation the already half-extinguished craving for *revanche* and poisoning the relations between France and Germany.

Russia, on the other hand, by means of concessions in Persia, had been attached to the political system of England. In this way England succeeded in holding the German central *bloc* in a vice. That this situation involved a *capitis deminutio* for Russia was clear from the fact that Russia did not, as had been anticipated in her earlier plans, look on as a disinterested third

party while Germany and France mangled each other, at the same time herself engaging in the quest of easy plunder on the Danube or in Turkey; on the contrary, Russia was compelled not only to take part in the World War, but even to bear a very heavy share of its burden. England now reserved for herself what had hitherto been the special rôle of Russia, her intention being that the Continental Powers should tear each other to pieces, while she, on the principle of "business as usual," ransacked the world for anything which she might appropriate to herself, at the same time securing, at the least possible risk, the destruction of German commerce, and hence the continuance of English world dominion for an indefinite time.

But even here things did not work out as had been anticipated. At the present day, England is confronted with the fact that her absolute domination of the seas is undermined, her merchant fleet is jeopardised, her position as world banker is threatened. The very foundations of her social constitution are shattered; her whole class system is unsettled; and her working classes in particular are in a state of dangerous ferment. The United States of America, whose civil war of a half-century ago had been prudently turned to account in order to prevent the rise of an American merchant fleet, are now on the point of building such a fleet. From being a debtor, America has become a creditor of England and is threatening

English industry with an energetic competition. Moreover, the position of England in relation to the Entente Powers has to be considered. That position can only be maintained by dint of an absolute, smashing victory over the Central Powers. Belgium, France, Italy, Serbia, and Roumania have only embarked on this war enterprise in the full assurance that England guarantees victory. If England fails to achieve this victory, and is not in a position to offer her allies overwhelming compensation for all the suffering and misery which the war has brought upon them, then England will stand exposed before the whole world and for all time, and will be able to exchange rôles with Germany as regards being an object of universal hatred. Hence England is compelled to hold out to her European allies the most fantastic hopes of indemnities and annexations, while she herself, in her sublime unselfishness, renounces all annexations—in Europe!—and, therefore, no motto is so hateful to her ruling classes as the phrase "No annexations!"

It seems as if all the conditions had been turned upside down. It is only the Central Powers who have made conquests; and it is only they who proclaim "No annexations!" The Entente Powers, at any rate in Europe, have only lost territory, yet they alone clamour for conquests. The gist of this profoundly ironic reversal of the situation seems to be that the Central Powers

renounce their actual conquests while the Entente Powers renounce their intended conquests. *At the same time this purely fictitious renunciation by the Entente involves a far greater sacrifice than the actual renunciation by the Central Powers,* for we have already drawn attention to the fact that the renunciation of annexations by the Central Powers would mean anything but a restoration of the former situation. Here the epoch-making significance of the Russian revolution for Germany is clearly revealed. The future of Russia may be shrouded in uncertainty, but at least we know that she will never again be what she has been. If, as seems most likely, the goal of her development is a Liberal Constitutional State of a federal type, this goal could in any event only be reached in the distant future. Above all, it is pretty certain that the revolution is far from being ended, for it is quite impossible that such a tremendous upheaval as the revolution involved for the Asiatic barbarian state should be rounded off in a few months; that is to say, Russia has forfeited her position of a great military Power for a long time to come. But therewith the pressure, which had hitherto been felt upon our eastern frontier, is definitely withdrawn; and therewith, too, is an end of the bogy of the "Russian menace," which has always been used to frighten us and as an argument in support of western orientation, with a view to closer relations

with England. It was a source of delectation to these people to dwell upon the enormous numbers of the Russian Great Power, and to represent every new-born Russian as a predestined enemy of Germany. From this point of view, it was inevitable that, on account of the large increase in the population of Russia, the respective numbers of Russian and German recruits, after a half-century, should present a comfortless prospect to Germany. The only hope seemed to be the support of England, whereby we should have at the same time enjoyed the sublime sensation of rendering an international service by acting as a bulwark of "civilisation" against "Muscovite" barbarism." All these metaphysical speculations, which left entirely out of consideration the logical course of historical development, are now over and done with. The reality has dispersed all the phantasies concerning the "Russian menace," but the "English menace" has become only so much the more conspicuously evident.

But also on our western frontier, the collapse of France constitutes a political and military advantage of very great value and probably of long duration. Only it would be foolish to picture a reconciliation in the west. The French will hate us, whether we deprive them of territory or not, for the deeper cause of the Franco-German antagonism was not the recovery of Alsace-Lorraine by Germany, but the fact that Germany was rising

while France was declining. For this reason, the protest of the Social Democrats against the annexation of Alsace-Lorraine, in the year 1871, in which Engels himself participated, has been proved by historic development to have been unjustified. This protest plays an important part in the history both of German and French Social Democracy, and it is well known with what great satisfaction Bebel always looked back on the attitude which he adopted on that occasion. The desire at that time was for a "just" peace with the French Republic, and by this "just" peace was meant a peace without annexations. Whether it also meant a peace without war indemnity, such as is being demanded at the present day, is uncertain. It was conceived that such a peace would lead to endurable relations between Germany and France. There was, however, nothing to justify such a supposition, because the Franco-German antagonism lay very much deeper than was recognised at that time, and because all through the nineteenth century, as we have described in the preceding chapter, France, in spite of the fact that she possessed Alsace-Lorraine, continued to hanker after the whole left bank of the Rhine. Moreover, though the Social Democrats disapproved of this recovery of the Reichsland, as soon as the resumption had actually taken place, they recognised the existing situation and would not hear of a return of this territory to France. The consequence was,

that on the outbreak of war in 1914, the attitude which they had taken in 1871 was not of any avail to the German Social Democrats. The French Socialist Press was just as immoderate in its abuse of them as if they had never worked on behalf of a Franco-German reconciliation. The war itself, however, had nothing to do with the question of Alsace-Lorraine. It arose from a completely new phenomenon in world-politics—the Anglo-German antagonism. Given that antagonism, France would have ranged herself by the side of England, even if she had preserved Alsace-Lorraine in 1871. In fact, if Germany had been hampered by such an unfavourable frontier, she would possibly have felt even less hesitation about going to war in 1914. That the fact of an annexation has very little influence on the future relations of two countries is proved by the case of Italy. In the year 1859, Italy, who had already been deprived of Corsica by France, was compelled to surrender Savoy and Nice, the latter the birthplace of Garibaldi; yet this did not prevent Italy from entering the World War on the side of France, even though it meant a violation of her alliance. But for the safeguarding of the South German frontier by the incorporation of Alsace-Lorraine, the foundation of the German Empire would have been attended with much greater difficulties than it encountered in the winter of 1870, perhaps even with insuperable difficulties.

In any case it would have been very difficult to advance the lines of the German front in the World War to the position which they occupy at present. All this gives quite a different aspect, even from the Social Democratic standpoint, to the question whether Germany was justified in annexing Alsace-Lorraine in the year 1871.

For France, peace without annexations means a final descent into the abyss of insignificance as a World Power. The mere reconquest of German Alsace-Lorraine would, it is rightly judged in the circles of the French Government, afford a far from adequate compensation for the diminution of the French national strength and for her weakened world position in the face of the coming Central Europe. For this reason it is the aim of France to acquire not only Alsace-Lorraine, but also the left bank of the Rhine, or, at any rate, to convert the German Rhine territory into a buffer state under French overlordship, whether in connection or not with a restored, enlarged, and gallicised Belgium. But it is clear that all these dreams in regard to the future of France, are only borrowed from the French past. It is dreamed that the France of the World-Revolution is the same as the France of the French Revolution. France will acquire neither the left bank of the Rhine nor Alsace-Lorraine. And therewith her fate is sealed.

Imagine, then, a Germany, firmly and permanently

allied with Austria-Hungary, her frontiers relieved of that tremendous pressure which had hitherto lain upon them both in the west and the east. This would seem, in fact, something like a modernised Roman Empire of the German nation. It would in truth be only the final recovery of the absolutely legitimate position which belongs to the great central nation of Europe in virtue of its economic, cultural, and geographic situation, and, last but not least, in virtue of its numerical strength. This consummation would have been brought about by the rise of Germany, and it would merely put an end to an unnatural situation which is only comprehensible in the light of Germany's wretched past: namely, that the German nation, numerically the strongest nation in Europe—for even the Russian nation is scarcely equal to the German in numbers—was an impotent and therefore despised hybrid, politically dismembered, and so mutilated that portions of it had even been formed into separate and independent nations, as, for example, the Swiss in the south and the Dutch in the north. In the intellectual sphere, on the other hand, it was so accomplished and so systematically cultivated that it suffered from a superfluity of intelligence, and its technicians, teachers, and physicians, were at the disposal of all the nations as cheap purveyors of culture. Their own country had no use for them. Germany sent across the sea millions upon millions of her sons; they were lost to her

for ever, and their talents served to swell the strength of foreign nations who are now the enemies of Germany and bent on her destruction. The unification of hitherto dismembered Central Europe which is now in progress forms the historical counterpart to the dismemberment of the hitherto unified Russia, just as the rise of Germany is the counterpart to the decline of France.

It is only to be expected, of course, that the nations, who for centuries have been accustomed to an impotent Germany will have some difficulty in accustoming themselves to the reverse. The excited outcry about German "barbarism" which is now being echoed through the world is really no more than a cry of alarm at the fact that this nation which had been believed to be so weak is, in fact, so incredibly strong. And this outcry against Germany's "barbarism" will grow louder in proportion as the admiration for Germany in foreign countries becomes intensified. Do not imagine that our enemies can refrain from admiring Germany's strength in achievement.

Were that possible, the Press of the French, the Italians, the British, and the Yankees would have long since ceased their vociferations about barbarism. Two examples will suffice. On June 29, 1917, the London *Clarion*, the famous organ of Blatchford, contained a field-letter from Christian Massie describing the general mood on the British front in France. He wrote: "Ignorance is painful

and dangerous. The pathetic innocence of our soldiers is harrowing to the mind. . . . They accredit inexhaustible intelligence to the German soldiers." The English opinion of German intelligence expressed here coincides exactly with the opinion of the Russians which is expressed in the Russian saying: "The Germans know everything; they probably even discovered the ape." As a second example we may quote a letter from Sir Harry Johnston, late British Consul-General in Uganda, published on July 4, 1917, in *The Manchester Guardian;* he advises that all Germany's colonies should be taken away from her, and at the same time admits: "Our well-founded admiration of Germany dies a slow death in many minds." And it is just because in the course of this war Germany has again and again roused the admiration of the world that the unutterably foolish rumour of "German world domination" has gained such wide currency. The Germans who hitherto knew nothing save how to make themselves ridiculous now know "everything."

Such is the effect of that unified co-operation of all the German races, of which German history exhibits no previous instance. The German nation may well reflect upon it with pride. "A nation," says Clausewitz, "which does not dare to speak boldly will dare still less to act boldly." But in this respect we know how much still remains to be desired. The Germans will sooner act boldly

than speak boldly. Their attitude wavers between lack of self-confidence and excess of noisy bragging, very much in the manner of young people who have reached the age when one hesitates whether to treat them as child or man. As a world nation Germany is still far from having attained adult years, and her world politics are still at a very crude stage of development. But in revolutionary times development is rapid, and the great tasks which now confront every class of the nation will give impetus to its internal growth.

The greatest of these tasks is the destruction of the English world domination, and in this connection Hegel's remark concerning the world historical individual in his introduction to *The Philosophy of History* is applicable to the German nation as a world historical nation: "The great men in history are those whose own particular aims are directed towards the same material end as the will of the world spirit." And in another place he says: "Great men have exercised their will for the purpose of satisfying themselves, not others." That is to say, translated from the Hegelian into German and applied to our own ideas: Germany wants to destroy the English world domination, in the first place, merely because she will thereby serve her own interests; *but by so doing Germany will become a world historical nation, because her special interests are at the same time the general interests of progress and historical develop-*

ment. As a consequence of her own particular situation, Germany will become the champion of that "progress in the consciousness of freedom," which is Hegel's definition of the world's history. Liberation from the yoke of the English world domination is not merely a concern of Germany: it concerns all the nations. All the nations suffer under it; all have an interest in its overthrow; but none of them have had the strength to effect it. *But Germany has this strength.* When she became involved in a conflict with the English World Empire, she revealed for the first time her true powers. So Germany's struggle, which she had to wage against the whole world, became a struggle on behalf of the whole world. Those who were to be liberated fought against their liberator; the oppressed ranged themselves on the side of their oppressor.

But Germany can only wage this war as a genuine war of liberation if she rids the world of the apprehension that a German world domination will perhaps be set up in place of the English. And in this connection the phrase, "No annexations!" which the German Reichstag and the German Imperial Government have established as the motto of German peace policy and German interests, is in complete harmony with the interests of the rest of the non-English world. We must emphasise, moreover, that Germany's resolution not to undertake or to suffer any annexations for her

own part by no means proceeds from any high-flown "idealism," or from the desire to win the "gratitude" of the nations whose territory we now occupy, but from a cool consideration of purely German aims. No longer, as in 1870, does the enemy territory include portions of our population, whom we wish to bring back into the German nation. The incorporation of foreign nations, or portions of nations, who belong to an old and well-defined cultural domain, would tend rather to diminish than increase our strength. None the less it will of course be the duty of our Imperial Government to do its utmost to ensure that the future peace involves every possible safeguarding of our foreign relations. For instance, it goes without saying that if Belgium, after she had been evacuated, should exhibit any inclination to enter into a more intimate connection with England or France than with Germany, we should have to see that such designs were henceforward made impossible. Any peace which did not provide "securities" against such blows from behind would, of course, be out of the question. The matter is not ended merely by the assurance that we will evacuate Belgium. This is emphasised, for instance in the famous memorial of the German Social Democrat delegation to Stockholm, in which it is demanded that Belgium shall not be a vassal state either of Germany or England or France.

For the rest, the principle, "No annexations!"

benefits only the non-English States. None of them have made conquests; almost all of them have suffered heavy losses of territory, the restoration of which would be secured to them under a no-annexation peace. England is the only one of the Entente States who has made conquests in the war, conquests of vast extent which she does not intend to surrender. As a result of her almost complete conquest of the German colonies in Africa and her final annexation of Egypt, the once "black" continent has been transformed into an English province. If England were not compelled to surrender her conquests, the non-English possessions in Africa would in the future be no more than beauty spots, and at the same time their mother-countries—France, Italy, Portugal, Spain—would also be only beauty spots in relation to the world domination of England. There would then be no longer any obstacle in the way of a Cape-to-Cairo Railway through an unbroken stretch of English territory; and this Cape-to-Cairo Railway could be linked up with the new railway from Cairo to Bombay, via Bagdad; for in Asia, too, England has effected or, is on the point of effecting, very important political and economic conquests. If the British Empire succeeded in annexing permanently its war conquests in Arabia, Mesopotamia, and Persia, it would possess about a third of Asia, and this far the most valuable portion. We may reckon on a second third belonging to Russia, but

the more enfeebled the condition in which Russia emerges from this war, the less will she be in a position to impose a check on the advance of England. The remaining third would fall to the Yellow races, under the leadership of Japan. But Japan's position in East Asia would also be seriously threatened, if she were confronted with an England enjoying absolute supremacy in Africa and an uninterrupted communication by land and sea from the Cape to the borders of China, with Australia in the south and the other Anglo-Saxon World Power at her back. Under such conditions it would be no very difficult matter for England to effect the encirclement of Japan and cut her off from the rest of the world. In short, the English world domination, the frightful reality of which has for the first time been revealed to the world through this war, would then be a still more tremendous and sinister fact, and *all the non-English nations would then, in fact, inhabit the earth merely as the tenants, or subtenants, of England.*

Here we may perceive the pronounced anti-English tendency of the watchword, "No annexations!"—the value of which consists, of course, not so much in the fact that it forms an absolute and positive condition of peace as in the fact that it serves as an heuristic principle in the confusion of the World War, and it is by reason of this anti-English tendency that it is in harmony with the deeper significance of this war. Since this prin-

ciple leaves every nation in possession of its own, it compels England to disclose herself as a universal plunderer, whose nature is irreconcilable with the demand to renounce annexations, and who intended to utilise this war as an opportunity for establishing her world domination on an unshakable foundation for centuries to come. While the English annexations appear to be confined to the possessions and domains of the Central Powers, they would at the same time put an end to the political independence of all the Entente States. If Germany were overthrown, what power in the world would not then seem a mere pigmy by the side of the English giant and its ally the United States? *Here the great task of Germany as liberator of the nations is revealed in its full lustre. Here is an idea which must be made to speak on Germany's behalf, and which is capable of rendering the same service to her cause as did the ideas "Freedom" and "Equality" to the French Revolution in* 1789. *This idea will triumph and only with this idea will Germany triumph.* The more clearly Germany realises her revolutionary and liberating rôle, and the more resolutely she draws the necessary deductions from this world historic task, with so much the greater confidence and assurance of victory will she be able to look to the issue of this war.

We have already said that England will have lost the war if she does not win it, but that Germany will have won the war if she does not lose it.

Now we may perceive also that the application of the principle, "No annexations!" would not involve any injury to Germany, while for England and the Entente it would involve a crushing defeat. The statesmen of France, Italy, Serbia, and Roumania, at the threshold of the fourth year of the war still cling to their demands for annexations, because herein alone do they perceive a certain compensation for the frightful injuries which their countries have sustained, and because they can no longer picture the future apart from such annexations. It would be equally fatal for England if she had to leave her allies as burnt-out dross on the theatre of war and at the same time surrender her own gigantic conquests in Africa and Asia. She would thereby have proved that, even with the support of the whole world, she was not able to effect the overthrow of little Germany and her allies. But for Germany a peace even without conquests would involve a considerable extension of her power in Central Europe, in close alliance with Austria-Hungary and hand in hand with the Balkans and Turkey; for as a result of the decline of France and the Russian Revolution, the old distribution of power on her two flanks has been completely altered.

The real problems which are bound up with this war cannot be solved by the forcible annexation of foreign territory; and hence there is a certain danger in insisting upon the question "for or

against annexations" as the pivot of future peace conditions. At a time when national states have assumed their final shape, it is absurd to talk as though the annexation by such a state of portions of alien nations would involve an increase of its own national strength. If in addition to all their other misfortunes, the French were to suffer the further misfortune of obtaining German Alsace-Lorraine after this war, they would very soon discover what a cross they had thereby laid upon themselves. Even in the east, where the organisation into national states is not so advanced as in the west, the forcible incorporation in the German Empire of non-German territory would not give us what we want from this war. What we need is an improvement of our hitherto extraordinarily unfavourable frontier. But it will probably be easy to effect this by means of an understanding with the Russian Government.

Much more important than the question of annexations is the question of our economic future. This is the main problem, and annexations would not bring us a step nearer to its solution. And here, it must be emphasised, all the conditions have been transformed and very considerably complicated through the war. The economic problem is, first and foremost, a colonial problem.

In the course of the nineteenth century, the population of Europe has increased by almost a third of a milliard, that is to say, it has increased

from 180 to almost 500 millions. The feeding of this enormously increased multitude of human beings was a task, to which the old ploughland of Europe was now wholly inadequate. Most of the industrial countries became importers instead of exporters of corn. But this was merely an outward sign of the complete economic transformation of Europe. Man does not live by bread alone, and the necessity of supplying the requirements of this steadily increasing mass of population in respect of clothing, foot-wear, and housing, led to that great international division of labour between the Old World and the New, as well as between Europe and the Colonies, which gave a notable incentive to capitalistic development and already contained within itself the germ of the present conflict.

The principle of this division of labour was roughly that Europe cultivated bread stuffs, while the Colonies cultivated fodder stuffs and textile plants; and it was a natural consequence of this development that, according as a country was more industrialised, so much the more conspicuously did its agriculture accord with the principle of this intercontinental division of labour. Thus Germany became the country which produced the most corn per acre, the most cattle and meat, as well as the first country in the world as regards the production of potatoes and sugar. On the other hand, the cultivation of textile plants disappeared completely, and sheep-rearing also declined

very noticeably. Up to the time of the war this did not occasion any concern. It could safely be reckoned that, in consequence of the needs of unrestricted trading and the operation of the law of supply and demand, we should at any time be able to purchase the necessities of German economic life at the same price as the other buyers. But this certainty no longer exists. England intends to destroy Germany's world trade; and the more this is proved to be impossible, the more energetically will she have recourse to all the means at her disposal in order at least to cripple German trade. And this will not be very difficult, since four-fifths of the colonial trade is in England's hands. The resolutions of the Paris Economic Conference, the probable adoption by England of a Protective Tariff, speak in language that cannot be mistaken. We must reckon on the probability that the English World Empire and its ally, America, will only sell to Germany the raw materials which she needs for agriculture and forest culture under very disadvantageous conditions or at specially advanced prices, which would of course either put German industry completely out of the running or at the least injure it very seriously. Already France and England have taken measures, by means of a preferential tariff, to withhold from Germany the raw materials required for her very important oil and fat industry, in so far as these were derived from their colonies. England has instructed her colonies to impose on

the export of palm-kernels to foreign countries an export duty of £2 per ton for a period of five years after the war. France has taken similar steps. England intends to make the palm-kernel trade a State monopoly, and with this in view she has already forbidden the export of West African palm-oil to foreign countries. Lord Milner reckoned the annual turnover in palm-oil products at £50,000,000, and the annual revenue to the State from a palm-oil monopoly at £4,000,000. Such measures would involve the most serious consequences for the German industry in edible fats, oils, margarine, soap, and oilcake. And similarly, by the general application of such measures, not merely German industry, but Germany's whole economic life would be seriously affected. And not least German agriculture, for that "flourishing German agriculture," as we called it, of the days of peace was really dependent upon an extensive colonial commerce and free trade. Now, after three years' experimenting in agriculture without colonial products and raw materials, it has been made clear to us that the regular and certain supply of colonial products is necessary for the existence of the German people at home. For instance, to take but a single example, according to Professor Wohltmann, director of the agricultural institute at Halle University, the yield of milk from our cows has declined by almost a half owing to the lack of oilcake for fodder. The home produced

fodder stuffs are not nearly so effective, nor do they yield such a good manure as the fatty tropical fodder stuffs, which are ripened under a far hotter sun than the home-grown clover or the other fodder plants of the temperate zone. If these tropical fodder stuffs are lacking, there ensues after a time a falling-off in the yield of milk, corn, sugar, and hides; and thereby the material foundation of our existence is endangered.

It is clear that, under such conditions, the colonial problem assumes an entirely new aspect. This explains, among other things, the attitude of the Social Democrats, who up to the time of the war had no sympathy with a colonial policy, but whose Press has since taken up an entirely different attitude, and admits the necessity of a German colonial empire. *And here again, in the question of colonial policy, the interests of Germany are bound up with the interests of all the non-English States.* After this war, the English colonial monopoly will either be complete—and then the whole world will be under the tutelage of England—or else Germany will secure for herself an adequate colonial empire, and will thereby shatter the English monopoly to the advantage of herself and of the world.

At the same time, colonial policy is thereby finally divested of that improvised character, which had, generally speaking, appertained to it up to the time of the war, and becomes an important factor of conscious cultural and economic policy. The

influence which the introduction of "coloured English" and "black French" to the field of slaughter must exercise on the primitive races ought not to be overlooked either as regards its nature or its depth. Further, the effects upon the natives of the warfare between the white races in Africa cannot yet be seen. It is hardly to be supposed that the respect of the coloured for the white races will be enhanced as a result of these new experiences. It is, in any case, certain that colonial politics will have been very seriously prejudiced as a result of the absolutely criminal fashion in which the most valuable possession of the Colonies, namely, the coloured races, have been treated in the World War. How many hundred thousand of these poor creatures have perished in the war like patient cattle in the service of the English and the French cannot yet be estimated. In any case the predatory exploitation of the Colonies, which was already on the decline, is now at an end. *After the war, colonial policy will be of the nature of a social policy*, for only if the colonial representatives of a government were conscious of their responsibilities as guardians of the interests of the colony, would there be any prospect of making the Colonies what, in the interests of our whole culture and material conduct of life it is essential that they should be: the pillars of that international, or rather intercontinental, division of labour by which the temperate zones are supplied with those indispensable raw

materials and fodder stuffs, without which the maintenance of our industrial and agricultural development is impossible. In other words, the revolution which the war has brought about in the capitalistic world means a new epoch also for the colonial world. The destruction of the productive powers of capitalistic Europe has been so enormous that, in order to make up for it, the opening-up and cleansing of the Tropics is an absolute necessity of the future. We cannot in the future allow these productive districts, full of unquarried wealth, to be abandoned to chance or to the money-getting instincts of private capitalists. In order to recover economically from the terrible catastrophe of the war, we need to develop all the productive powers at our disposal. Just because in the Colonies, the cream has already been skimmed off the surface, the tropical zone will in future only yield up its treasures according as the white man undertakes the prodigious work of the opening up and cleansing of the Tropics. This labour will comprise the building of roads, railways, and routes for motor-traffic (by which the practice of human porterage, with all the loss of life which it entails, would be gradually restricted and finally abolished), the draining of swamps, the regulating of rivers, the struggle against pestilence, the study of those terrible diseases of which the primitive races are the helpless victims, the investigation of the equally destructive plant and animal diseases, which in a few

weeks destroy the results of long years of toil. But this labour cannot be performed by individual capitalists nor by idealistic philanthropists; it can only be accomplished by systematic State Socialism organised on a large scale.

In fact, some form of State Socialism will be the economic constitution of the future, not merely in the Colonies but also in Europe, and especially in the German Empire. With every new month of war, this conviction has become more deeply implanted in all ranks and classes of the nation. And, therefore, it might be said that *Capitalism, which, on the 4th of August, 1914, entered the World-Revolution as victor over Socialism, will emerge from it as the prisoner of Socialism.*

We have seen in earlier chapters that in Germany Capitalism had arrived at a form of development which, on the one hand, enhanced, to a quite extraordinary extent, the productivity of Labour, and, on the other, promised to shoot beyond Capitalism itself. To this modern form of Capitalism, the so-called Finance-Capitalism, Germany owed her amazing economic development in the last decades before the outbreak of the war, and it goes without saying that the country cannot abandon the stage of economic development which it has already reached. Moreover, the revolution which German economic life has undergone during the war has extraordinarily intensified the tendency towards

financial capitalistic development. The disappearance of the independent middle-class, the increase of female labour, the process of concentration within the capitalistic circle itself, by which the small are eliminated and the strong made still stronger, the shutting down of the less productive businesses in favour of a few large undertakings, which was a typical war phenomenon, the rising influence of the large banks, and all this frequently with the aid and support of the State: these phenomena are merely the continuation, in a very much intensified form, of those tendencies of capitalistic development which were characteristic of German economic life before the war.

These tendencies, as we have seen already, contained within themselves a strong Socialistic factor. They represented the first systematic attempt on the part of a capitalistic society — an attempt which, though it had originated unconsciously, was developed systematically and on a large scale—to penetrate behind the mysteries of its own mode of production, and to control those social laws to whose uncomprehended natural power men had hitherto submitted blindly. It was a question of organising the primitive anarchy of Capitalism. And we have only to state this fact in order to recognise how much the fact that Germany has been able to hold out for three years of war is due to the comparatively advanced organisation of her national economy. If German Capitalism had

been at as backward a stage of historical development as English Capitalism was up to the war, Germany would very soon have collapsed. This is the true cause of that expression of admiration uttered by an English statesman about a year after the outbreak of war: "If England had been in Germany's place, she would have long since been defeated." That advanced form of Capitalism which has been attained in Germany, and which forced the German Empire into the rôle of a world political revolutionary, represents at the same time one of the pledges of her ultimate victory.

That organisation of Capital, which began unconsciously before the war, and which during the war has been continued consciously but in a hasty improvised fashion, will be systematically continued after the war. Not through desire for any arts of organisation, nor yet because Socialism had been recognised as a higher principle of social development. The classes who are to-day the practical pioneers of Socialism are, in theory, its avowed opponents, or, at any rate, were so up to a short time ago. *Socialism is coming, and in fact has to some extent already arrived, since we can no longer live without it.* Under these circumstances it is quite indifferent what fantastic conceptions of Socialism may have been formed hitherto in Socialistic as well as anti-Socialistic circles. And once again the truth is proved of that old law of historic experience, that historic progress only takes place

as a necessary law of development. Far from being the result of finer discernment, such progress has often been felt and stigmatised as an oppressive tyranny, as a curse, and often as reaction.

Those interests that are prejudiced by this historic progress break out into shrill protests; those that are likely to reap benefit from it keep silence, partly out of indolence, partly through failure of discernment. When machines were introduced, they were smashed; when railways were constructed, they were opposed by a very large section of the public, who did everything they could to ensure that at least no railway station should be built near their own home. When universal military service was introduced into Prussia, it had only a very small number of supporters. Ninety-nine per cent. of the population were dead against the abolition of the old mercenary army, and the municipal authorities of Berlin presented agonised petitions to the king—who was himself ill-disposed to the innovation—imploring that this hideous calamity might be averted. In the same way the most excited protests are now being raised against that socialisation of our economic life which is in full swing, and which, though it has practically no supporters outside the ranks of the Socialists, will none the less pursue its course and overthrow all opposition. Here, too, it is a case of a necessary law of development. The economic and financial need of the Empire, the states, and the communes all tend

in the same direction. The enormously increased expenditure of the Empire, due among other things to the necessity of providing for the wounded and the widows and orphans, will increase the Imperial estimates threefold. Taxation, whether direct or indirect, can do little here. The only remedy is to establish big monopolies as sources of revenue for the State. For many years after the war it will need the guiding hand of the Empire to secure our food-supplies, to develop our economic life and to regulate our imports and exports. This does not mean that the future will afford no opportunities for private initiative or for independent commercial activity. There can, of course, be no question of this, and the very vigorous activity which private capitalism has displayed since the beginning of the war, even in the age of war-socialism, and which has, indeed, brought about an entirely new distribution of wealth and an entirely new, even though a particularly unpleasing, capitalistic class, furnishes sufficient proof that such a result is quite impossible. In reality, it is purely a question of continuing systematically to develop that organisation of our economic life which had already been set on foot in Germany before the war. The difference between the past and the future will be that, whereas in the past we could spend from a full purse, the coming years will of necessity be marked by the most rigid economy and retrenchment. In the second place, however, the original form of the

organisation of Capital aimed solely at enriching the private owners of the great means of production—the mine-owners, foundry-owners, manufacturers, bankers, large landowners—at the cost of the great mass of the people, while the future organisation of our national economy will have to consider, first and foremost, the interests of the great mass of the working classes. But here, again, this result will ensue less by reason of any greater social "insight" or "sense of justice" than from the fact that the great force which has to accomplish the organisation of our economic life—namely, the State—will in future be more subject to the social pressure of the working masses than hitherto. That is to say, here again, it is a question of power. In other words, the organisation of our national economic life is something that has got to be; it will come, and we have already seen that it is taking place even in England, the classic land of early Capitalism and of anarchic economic life. *But whether this organisation will be rather of a social or a plutocratic nature, whether it will advantage the many or the few, will depend, above all, on the political power possessed by the various classes in the State.*

And here the difference between the social structure of Germany and that of the other capitalistic countries becomes very apparent. Germany is reputed reactionary, and, from the standpoint of English Liberalism, Germany is reactionary. All those who accept English political standards concur

in this judgment; and even Conservative politicians do not deny Germany's political backwardness: they merely seek excuses for it—which they, of course, have little difficulty in finding, and declare that, after all, the state of things in Germany is "not so very bad." Now this class of people, who unconsciously reason from English standards, comprises the whole educated German bourgeoisie. Their political notions of "freedom" and "civic rights," of constitutionalism and parliamentarianism, are derived from that individualistic conception of the world of which English Liberalism is the classical embodiment, and which was adopted by the spokesmen of the German bourgeoisie in the 'fifties, 'sixties, and 'seventies of the nineteenth century. But these standards are old-fashioned and shattered, just as the old-fashioned English Liberalism has been shattered in this war. What has to be done now is to get rid of these inherited political ideas and to assist the growth of a new conception of the State and of Society. In this sphere also Socialism must present a conscious and determined opposition to Individualism.

In this connection it is an astonishing fact that, in so-called "reactionary" Germany, the working classes have won for themselves a much more solid and powerful position in the life of the State than is the case either in England or in France. The German Social Democrats formed the strongest political party in the world, and the German trades-

unions comprised the largest working-class associations of all the capitalistic States. The so-called "Democratic" States of the west have achieved scarcely anything comparable with what the German working classes have achieved in respect of the furtherance of their material interests by means of social legislation, and the intellectual and economic advancement and education of their members by means of newspapers and party literature, co-operative societies, popular centres, libraries, schools, schools of art, cultural institutes, and so forth. In Germany the working classes have been able to develop a cultural life of their own. It was not without reason that German Social Democracy formed incomparably the largest group in the Internationale. But the outstanding achievement of the German working classes was the use that they made of universal, equal, direct, and secret suffrage. From being an instrument for the bamboozlement of the masses, as it was originally reckoned among the Democrats, and as Napoleon III and Bismarck had intended it to be, they converted it into an instrument of social liberation. It is well known that the young Bebel was a fanatical opponent of universal suffrage, and the old Liebknecht was for years a silent opponent of electoral participation. They, too, had to learn and to shake themselves free of hereditary misconceptions. But now that universal suffrage has been established in Germany for half a century, we can form a just

estimate of the effects of this suffrage on the State and the people. And here it must be emphasised that these effects are two-sided. Since the Social Democrats, by the aid of this suffrage, occupied every post which they could obtain in the Reichstag, the State Parliament, the municipal councils, the courts for the settlement of trade disputes, the sick funds, and so forth, they penetrated very deeply into the organism of the State; but the price which they had to pay for this was that the State, in its turn, exercised a profound influence upon the working classes. To be sure, as a result of the strenuous Socialistic labours of fifty years, the State is no longer the same as it was in the year 1867, when universal suffrage first came into operation; but then Social Democracy, too, is no longer the same as it was at that time. *The State has undergone a process of socialisation, and Social Democracy has undergone a process of nationalisation.* The political battle since the introduction of universal suffrage has proved an excellent means of arousing to social and cultural consciousness the lowest ranks of the nation, who have hitherto existed in a State of cultural semi-consciousness. These masses were not really living members of the nation; they took no part in the life of the nation; they were merely its sub-tenants, by whose aid the upper classes waged their own disputes. Among the modern proletariat there arose for the first time a class in which the summons to class consciousness

found an echo, and which, while it criticised the form of existing society, learnt to feel itself a member of this society. Thus, quietly and imperceptibly, began the process of nationalisation of this great social class, which was all the more necessary, since the nation could only sustain the wars and disputes which lay before it, if the masses, too, were able to recognise what was at stake. But the most important factor which hastened and strengthened the process of nationalisation was the democratic character which universal suffrage had conferred upon public life. As a result of universal suffrage, all parties and all classes were compelled to wage the most intensive struggle for the soul of the last man of the nation. This struggle gave rise to a host of information, of relationships and interests among all classes of society, and bound all together by the tie of a common culture. Thus, for the first time, we are developing slowly in the direction of national unity; thus, for the first time, we see the disappearance of that body of uncultured sub-tenants, who are quite unconcerned for the life and fortunes of the nation, because they have no part in it. If the German proletariat, like the earlier peasantry, had continued to be the uncultured sub-tenantry of the nation, the World War would have been long since lost for Germany.

This indirect socialisation of the State power, this impregnation of the State atmosphere with the

vital elixir of Socialism, is something entirely outside the experience of the so-called "Democratic" Western Powers. Neither the English nor the French working classes have succeeded in converting universal suffrage—if one can describe English suffrage as universal—from an instrument of bamboozlement into an instrument of social advancement. *Even at the present day the English aristocracy and the French plutocracy look upon universal suffrage as the most solid foundation of their power.* Never have the French working classes succeeded in forming themselves into an independent political party. The so-called French Social Democratic party was merely a crowd of self-important small bourgeoisie. It never comprised more than 80,000 members. Consequently, the vital interests of the poorer working classes were nowhere so criminally neglected as in the French bourgeois republic. The English working class organisations of the 'eighties frequently framed resolutions against making the suffrage universal. Their members had the vote, and they did not wish to stand on the same political footing with the unorganised "rabble." They remained aristocratic associations, and what they demanded from the State was not rights for their class, but privileges for their members. Intellectually, both the English and the French working classes remained under the influence of the individualistic ideology of their bourgeois classes, and generally speaking the point of

view of the English working class leaders at the beginning of the twentieth century was expressed by the words of the famous Judge Clerk at the end of the eighteenth century, when he roared at a delinquent: "The British Constitution is the best Constitution which has existed since the creation of the world, and it is impossible to make it still better." This same view was expressed by the trades-union leader and Labour Minister, Mr. Roberts, at the Trades Union Congress at Bristol in September, 1915, when he said: "I am not prepared to justify everything that we have done in our foreign affairs, but . . . in spite of all its shortcomings, this country is the best in the world."

Thus the Labour Movement of the "Democratic" Western Powers proved itself incapable of setting a higher historical aim before the individualistic social organisation of their countries, and so the purely mechanical Democracy which in England was based upon the omnipotence of Individualism and the impotence of the State, could not develop into an organic Democracy, which should appeal to and embrace the whole nation. In truth, that backwardness of the so-called "Democratic" countries, which will decide the issue of the war, consists in the fact that these States are not organisms but mechanisms. It has been disputed whether there really is an English State, and whether what is described as the English State is not merely an accumulation of independent individuals whose

relations with one another are as mechanical as those of the monads described by Leibnitz. English Capitalism, too, had really remained a mere mechanical accumulation, and had not been able to develop that organic shape which had been the distinguishing mark of German Capitalism.

Now what is the essence of that "organic" Democracy which is characteristic of Germany? In my already mentioned work, *Social Democracy: Its Aim and its Achievement*, in which I have treated this subject more exhaustively, I wrote: "The ideal of freedom which appertains to Socialism is essentially different from that which appertains to Individualism. The former is concerned for the freedom and fullness of life of the individual, and is, therefore, disposed to regard the restraints imposed by discipline and organisation as chains; for the other, discipline and organisation are indispensable conditions, because they are the most effectual aids to the development of that increased productivity which is the guarantee of freedom."

This brief sketch of the difference between Socialistic and Individualistic notions of freedom exhibits at the same time the difference between organic and mechanical Democracy. No further argument is required to demonstrate that mechanical Individualism is an historically backward form of Democracy, although it is wont to be extolled as the noblest expression of the idea of freedom, a fact of which Hegel complained when he wrote: "This is the

eternal misapprehension of freedom, namely, to conceive it only in the formal subjective sense, separated from its essential objects and aims. Thus restraint upon the impulse, the desire, the passion, which only appertain to the particular individual as such, restraint upon the will and the inclination, are taken for a restraint upon freedom. Rather is such a restraint the condition from which freedom ensues, and Society and State afford the circumstances in which freedom is more capable of being realised." *Thus, according to Hegel, the restraining of the subjective will, by means of a strong State, engenders freedom.* And, in fact, it is the most ominous feature of modern English history that the English State has never possessed that strength which might have enabled it to protect the peasants against the arbitrary will of the English aristocracy, or the workers against the arbitrary will of the rising capitalistic class. The English wanted a weak State, which should be incapable of jeopardising the freedom of the individual.

In Germany, on the contrary, a strong State power was developed, and we have described in earlier chapters the extent to which the economic development of the last decades contributed to strengthen the State power still further, and to intensify the struggle of the classes for the possession of the State. No one will wish to deny that in Germany also the power of the State has continually been placed at the service of the ruling

classes, but never has it been so utterly the will-less organ of class rule as in England. The State always possessed a certain degree of independence of the classes, and liked to figure as the proper representative of the general interests. The difference between the two methods was expressed in the fact that in England the aristocracy ruled the State itself with the help of the parliamentary system, while in Germany the relative independence of the executive led to bureaucratic government. The consequence was, that in Germany, the class contrasts never developed to their "most flagrant, shameless form," as, according to Karl Marx, they did in England. *If the German bourgeoisie, in the year* 1848, *had succeeded in establishing the parliamentary system, obstacles would have presented themselves to the rise of the German working-class, such as Bismarck and bureaucracy could never have put in its path.* The bureaucratic system did, to be sure, suffer from the serious defect that it was liable to degenerate into tutelage and police supervision, but the last decades before the war have shown the extent to which the German nation had begun to outgrow the tutelage system of the magisterial state, and the three years of World War have furnished final proof of this fact. *The chief thing now is, by resolute action to secure the confirmation under law of the final overthrow of the magisterial system, to secure for the Reichstag the decisive control of the bureaucracy, and, by developing the*

system of self-administration, to establish internal democracy upon a sure foundation. Such guarantees of freedom are all the more necessary since economic development will strengthen the social fetters on the individual; will make him more and more a useful link in the whole social chain; and will make him more and more subject to the exactions of a free, but none the less rigorous, social discipline. The greater the power that we must concede to the State in the future, in order that it may be in a position to solve those tremendous problems with which it will be faced, the stronger must be the guarantee against misuse of this power. The more surely must every citizen be able to feel that the State whose orders he has to obey is really *his* State and not merely the organ of a ruling class or of a bureaucracy which is out of touch with his world. *The great world historic task that lies before Germany at home is to establish, for the first time in history, harmony between State and People.* And Germany will come nearer to achieving this result in proportion as she conducts the public administration of the future in accordance with Social and Democratic points of view.

From all this it becomes clear that the backward individualistic conception of the state of the so-called "Democratic" Western Powers cannot possibly be the ideal to be aimed at by Germany, whose economic development has advanced beyond that of any other state in the world. The new

political organisations of which we stand in need must be evolved from the conditions which have arisen historically; they cannot be achieved by an adaptation of English or French models. "We are suffering from a sham façade," as *Vorwärts* once expressed it very aptly. This is actually the case. The sham façade of Prussian autocracy hides the strong democratic structure which is so characteristic of Germany's inward life. What is needed is to strip off this façade, and that as quickly and as thoroughly as possible. The most important step in this direction is the introduction of universal, equal, secret, and direct suffrage in Prussia, which is now at length guaranteed; for this Prussian suffrage, in view of the advanced stage of development of Prussian conditions and the thorough training of the Prussian population in the democratic use of this suffrage, signifies, in fact, Democracy. If the sham façade falls, the whole world will recognise how strong are the democratic foundations of public life, even—and, indeed, above all—in Prussia.

This really needed no proof, for it is clear that a nation which is in a position to wage victoriously this tremendous war against the whole world must possess a quite extraordinarily strong and thriving democratic structure. We know that those great foundations of Democracy—universal suffrage, universal compulsory service, and universal compulsory education—have worked for the education of

the nation scarcely anywhere so long, and certainly nowhere so surely, as in Germany.

If it is true that war is the great test of States and Peoples, and if it were also true that the Entente stands for Democracy and the Central Powers for Autocracy, then this world historic test would have proved Autocracy to be superior to Democracy. But world history is not so witless. The defeat of the Entente is not the defeat of Democracy, but of the world reaction which is led by England. And the triumph of Germany is the triumph not of Autocracy, but of historical progress, revolution, and freedom. Germany is entrusted with this mission because she is the embodiment of a higher type of Social Development. The chief thing which is still lacking in Germany is a full recognition of this historic mission.

Of that old double slavery of Europe, of which Marx once spoke, one-half has already been swept away. Tsarism lies in ruins, and it is to the victories of Germany that the nations of Europe owe this triumph. Soon the world despotism of England will also be compelled to descend from its throne. And again the great task of Liberation will have been performed by Germany.

In the public opinion of Europe, Germany has much for which to make amends, for it is declared that the forces of Germany were always at the service of reaction, and that wherever a nation

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